

CITY OF CINCINNATI

2004

Recommended

Budget Update

Operating Budget



OF THE PEOPLE, BY THE PEOPLE,
FOR THE PEOPLE
YOUR CITY DOLLARS AT WORK


City of Cincinnati



*Interdepartmental
Correspondence Sheet*

November 26, 2003

To: Mayor Charlie Luken

From: Valerie A. Lemmie, City Manager 

Copies to:

Subject: RECOMMENDED 2004 OPERATING BUDGET UPDATE REPORT

I am submitting my recommended 2004 Operating Budget Update for the General Fund and Restricted Funds. All funds are balanced to resources for 2004. The recommended 2004 Operating Budget Update is an integral part of the 2003/2004 biennial budget process because it amends the 2004 Approved Budget to reflect City Council actions during 2003 and to reflect updated revenue and expenditure information. This document includes the following sections:

- All-Funds Overview;
- General Fund;
- Restricted Funds; and
- City Staffing.

All-Funds Overview

Consistent with the 2003/2004 Approved Budget and Budget Motion (Document #200206113 Attachment A), my Recommended 2004 Operating Budget Update focuses on basic services, reflects the implementation of organizational changes approved in 2003, and addresses Mayor and City Council policies.

Basic Services

Many cities, particularly in the Midwest, are experiencing severe reductions in basic services. Even though our resources are likewise constrained, basic City services will be preserved or increased in 2004.

1. The City's Health Clinics and other primary health care programs are fully funded;
2. Funding to add 15 additional police officers in 2004 as we make progress to add a total of 75 police officers by 2005 as approved by the City Council. Additionally, public safety labor contracts are fully funded;
3. Weekly solid waste collection is funded at a continuation level, street sweeping operations are enhanced to reflect the City Council-approved managed competition operating model, and an additional graffiti abatement vehicle is recommended from the Citizen Safety Fund;

4. All parks and recreation facilities will remain open and operating at continuation levels, including the Theodore M. Berry International Friendship Park which opened in 2003 and the Mt. Washington Recreation Center anticipated to open in 2004;
5. Enhanced building code enforcement continues with \$100,000 in Community Development Block Grant funding. The One-Stop Permit Center approved by the City Council to expedite the plans review and inspections process will be operational in early 2004;
6. The commitment of \$5 million for 20 years to the Cincinnati Public Schools (CPS) for facility improvements will continue in the 2004 Budget Update;
7. The Public Safety Communications Center will become operational in late 2004 to coincide with the completion of the 800 Mhz radio upgrade project; and
8. Infrastructure maintenance will continue in accordance with the Smale Commission mandate.

Organizational Changes

My recommended 2004 budget update reflects the implementation of organization changes approved in the 2003/2004 budget as well as additional changes to better use limited resources. These include:

1. Though suspended in the 2004 Approved Budget, the Yard Waste program is recommended in 2004. The Recycling Program remains suspended in the 2004 Approved Budget. This \$1.7 million program is not reflected in my recommended 2004 budget update because of insufficient resources and other budget priorities but the Department of Public Services is exploring options to provide this service at a lower cost in future years. Attachment B includes a fact sheet for the Recycling and Yard Waste programs;
2. During 2003, the following organization entities were eliminated: the Office of Environmental Management, the Office of Contract Compliance and Administrative Hearings, the City Planning Department, and the General Services Department. The 2004 budget update recommends the elimination of the Municipal Investigations function within the Human Resources Department, resulting in net savings of \$94,850 and the elimination of two positions. The Police Department, Internal Audit Division, and Human Resources Department will collaborate as needed concerning criminal and administrative investigations;
3. The administration of the Arts Policy and Arts Consortium is transferred from the Community Development and Planning Department (CDPD) to the Recreation Department for organizational efficiency as approved by the City Council on September 10, 2003. This action results in the Recreation Department budget increasing by 1.0 FTE and \$649,620, with a corresponding reduction in CDPD;
4. Training and non-local travel budgets were reduced dramatically in the 2003 budget for a General Fund savings of approximately \$600,200 in both years of the biennium. My recommended 2004 budget update reflects the continuation of these reductions; and
5. Longevity pay and tuition reimbursement were suspended for non-represented employees (including executive staff) in the 2003 budget and remain suspended in the 2004 budget update.

Mayor and City Council Policies

The recommended 2004 budget update reflects 2003/2004 budget policies of the Mayor and City Council as well as actions approved by the City Council during 2003. These include:

1. The addition of a Chief Planner as approved by the City Council as well as a reorganization of the Community Development and Planning Department to focus our efforts on investing in neighborhoods;
2. The creation of an Economic Development Division within the Office of the City Manager to implement the Economic Development Task Force recommendations approved by the City Council. No net additional City staff is added for this effort;
3. As directed by the Mayor and City Council, the Administration has identified resources in 2004 to continue the Nature Education Program in the Parks Department and the Health Education Program in the Health Department. Both programs are funded in my recommended 2004 budget update;
4. The hiring of a Managed Competition Coordinator to develop and implement the City's managed competition efforts occurred in October 2003;
5. A competitive process for Human Services agency funding in 2004 has been developed;
6. The implementation of the Pit Bull and the revised False Alarm ordinances; and
7. A reduction in the property tax rate from 5.27 mills to 5.0 mills in 2004, resulting in a decrease of \$1.9 million in General Fund Revenue compared to the approved 2004 budget estimate. No other General Fund tax or fee changes are recommended.

Additionally, the consolidated plan and capital budget update documents accompanying this operating budget update include a framework to make significant community development investments in portions of the City designated as Neighborhood Revitalization Strategy Areas (NRSA). The NRSA designation allows for the creation of a neighborhood revitalization strategy including economic empowerment of low-income residents along with greater flexibility in the use of Community Development Block Grant (CDBG) funding for job creation, housing development, and increased public benefit and services. Please see the Recommended 2004 Consolidated Plan Budget Update Report (page 3) for specific recommendations within targeted neighborhoods.

Budget Action Report

In addition to the policies noted above, during the 2003/2004 budget process, the City Council and City Administration identified 53 specific budget action items. I have submitted quarterly reports to the City Council concerning the progress of these items. Accompanying this 2004 Operating Budget Update document as Attachment C is the 2003 3rd quarter report. There are 45 action items scheduled for completion in 2003. To date, 29 of the 45 action items have been completed. Six of the 53 action items are on-going and two are scheduled for completion in 2004.

Several budget action items relate specifically to the 2004 budget update. For example, the City Council directed the Administration to identify resources to continue the Nature Education and Health Education Programs in 2004. This budget update includes funding to continue these programs. Additional actions

include the hiring of a Managed Competition Coordinator and the hiring of an Economic Development Director, both of which occurred in the 3rd quarter of 2003.

While this budget update implements the priorities included in the 2003/2004 Approved Budget, difficult choices were made to develop the Recommended 2004 Budget Update. For example, the Recycling Program is suspended in 2004 due to a lack of resources and the Municipal Investigations function is eliminated. The Police Department, Internal Audit Division, and Human Resources Department will collaborate as needed concerning criminal and administrative investigations. Furthermore, while all funds are balanced to resources, several funds have projected carryover balances in 2004 lower than the recommended target of 10% of revenues. A 10% fund balance allows for a financially prudent contingency for unexpected revenue decreases or expenditure increases. In addition to the General Fund, the following Restricted Funds do not reflect a 10% fund balance in 2004: Parking Facilities Fund 102, Municipal Golf Fund 105, Street Construction, Maintenance, and Repair Fund 301, Motor Vehicle License Tax Fund 306, Recreation Special Activities Fund 323, Cable Communications Fund 424, and the Income Tax-Transit Fund 759. These funds will be monitored closely and expenditure reductions may be required during 2004 based on actual revenues and expenditures in 2003.

The General Fund section of this report includes a discussion of the 2004 fund balance and the six-year budget forecast. It reflects a structural imbalance that will need to be addressed in the 2005/2006 biennial budget process and beyond. The balance of this overview section provides a summary of my Recommended 2004 Operating Budget Update.

Table I: 2004 ALL FUNDS OPERATING BUDGET UPDATE SUMMARY

| <i>(\$ in Millions)</i> | 2003 Approved Budget | 2004 Approved Budget | 2004 Recommended Budget Update | Change From 2004 Approved |
|-------------------------|-------------------------------------|-------------------------------------|---|--|
| General Fund | \$312.5 | \$319.2 | \$330.5 | 3.5% |
| Restricted Funds | <u>\$409.2</u> | <u>\$412.2</u> | <u>\$451.7</u> | <u>9.6%</u> |
| Total Operating Budget | \$721.7 | \$731.4 | \$782.2 | 6.9% |

NOTE: The All Funds Operating Budget does not include the Community Development Block Grant (CDBG) Operating Budget because CDBG operating costs are reflected in the recommended 2004 Consolidated Plan Budget Update. However, the CDBG Operating Budget is included in the All Funds Operating Budget financial schedule reflected on page 21 of this document.

My Recommended 2004 Operating Budget Update totals \$782.2 million as shown in Table I. This compares to \$731.4 million originally approved by the City Council for 2004 in the 2003/2004 Approved Budget. The recommendation includes a General Fund budget of \$330.5 million and a Restricted Funds budget of \$451.7 million. The total operating budget recommendation is \$50.8 million, or 6.9%, more than the 2004 budget approved by the City Council. This increase is primarily due to:

- *\$6.5 million: Increased employer contributions to the City's retirement system*

Based on an actuarial analysis of the City retirement system, the retirement contribution rate as a percentage of payroll must increase to keep the City's retirement system fully funded. The actuarial analysis recommendation is based on market-driven investment losses in recent years and a large number of pending retirements, with approximately 850 current employees eligible for retirement in the next five

years. These “baby boomer” retirements will increase the pension system cost significantly over the next twenty years. To keep the retirement system fully funded, the 2004 employer contribution rate will increase from 7% to 11%. This increase affects all funds which have employees who participate in the City’s retirement system. Additional recommendations concerning the City’s retirement system are still in development and will be presented to the City Council after review by the Retirement Board. The separation of the health care liability from the pension liability, increased employee contributions, and health care cost sharing with retirees are all options being reviewed.

– *\$3.5 million: Increased employer contributions for employee health care*

Similar to employers nationwide, the City is experiencing dramatic increases in employee health care costs. The 2003 approved budget included a 10% increase in health care costs and the 2004 approved budget included an 8% increase in health care costs over 2003. The estimated cost increase for 2003 is 25% and the estimated increase for 2004 is 12% over the 2003 estimated cost. The City continues to pay approximately 90% of the health care costs for employees. Nationally, employees pay 15%-25% of health care costs but City employees pay approximately 10% of health care costs.

– *\$2.9 million: Increase associated with approved Police labor contract*

The current Police labor contract calls for a 3% wage increase in 2003 and 2004 as well as a 2% training pay increase in 2003 and an increase from 2% to 4% for Ohio Police Officer Training Academy (OPOTA) certification pay in 2004. The 2004 Recommended Budget Update includes \$2.9 million in the General Fund for these increases and the corresponding impact for employee benefits. The 2003/2004 Approved Budget included funding for a 3% increase in 2003 and 2004 and the \$2.9 million increase in 2004 reflects the additional negotiated items.

– *\$2.7 million: Increase associated with approved Fire labor contract*

The current Fire labor contract calls for a 5% wage increase for 2003 and 2004 as well as increased Service Requirement Allowances and longevity pay. The 2004 Recommended Budget Update includes \$2.7 million in the General Fund for these increases and the corresponding impact for employee benefits. The 2003/2004 Approved Budget included funding for a 3% increase in 2003 and 2004 and the \$2.7 million increase in 2004 reflects the incremental wage increase over the budgeted amount as well as the additional negotiated items.

– *\$1.2 million: Increase in debt service requirements for parking facility revenue bonds*

Debt service requirements for permanent financing of the 7th and Broadway parking facility as well as the planned Central Parkway & Vine Street facility will increase the Parking Facilities Fund 102 operating budget expenditures by approximately \$1.2 million in 2004 over the 2004 Approved Budget. The actual amount will not be known until Parking System revenue bonds are sold. These facilities are supported by parking facility revenues.

– *\$30.6 million: Bond Retirement Fund expenditures for debt service requirements*

The Bond Retirement Fund expenditure recommendation represents an increase of \$30.6 million from \$60.5 million to \$91.1 million. This recommended increase is primarily due to an additional Convention Center Facility bond anticipation note which was renewed in 2003 and a Street Improvement bond anticipation note to expedite 2004 street rehabilitation. Both will be repaid with the sale of permanent bonds. Although requiring an additional appropriation, the notes do not result in an increase in the City

debt because they will be paid off from permanent bond proceeds. The notes are intended to provide bridge financing until bonds are sold.

The specific increases previously noted, in addition to a net increase of \$3.4 million in other personnel and non-personnel areas of the operating budget, account for the \$50.8 million increase from the 2004 Approved Budget to my recommended 2004 Budget Update.

Taxes and Fee Changes

The 2004 budget update reflects the City Council approved property tax rollback to the 2001 revenue level. This results in a decrease of the property tax millage rate from 5.27 mills to 5.0 mills. The property tax rollback decreased revenues by approximately \$1.9 million compared to the approved 2004 budget estimate.

Consistent with previously planned rate increases and the 2003/2004 Approved Budget, the Greater Cincinnati Water Works (GCWW) plans a 3% rate increase in 2004. It is expected that future rate increases will range 3-4% or more annually to support water service and capital replacement, maintain sufficient debt service coverage ratios, and provide an adequate fund balance necessary to maintain the current bond rating. The 2004 rate increase will primarily support employee benefit cost increases and continued investment in infrastructure.

The Metropolitan Sewer District (MSD) submitted a planned 5% rate increase with its budget submission to the City in late August. This is less than the 7% included in the most recent rate study. The proposed lower rate increase is due to cost control measures and favorable interest rates. However, MSD is developing proposals to address Federal regulatory requirements and basement flooding that will require significant annual rate increases for the next several years. The MSD recommendations will be part of a negotiated Consent Decree. This Consent Decree will require City and County approval. A report will be provided to the City Council separately and will include financial impact. The MSD budget, as well as the sewer rates, are approved by the Hamilton County Board of Commissioners.

Staffing Change Summary

A total of 6,506.9 full-time equivalent positions (FTE) are recommended in the 2004 budget update. The City Staffing section of this report details the increases, decreases, and transfers of positions between departments and funds. My recommended 2004 Budget Update staffing plan includes a net decrease of 2.9 FTE from the current complement of City staff as shown in Table II.

Table II: 2004 FTE CHANGES (CURRENTLY NOT APPROVED)

| Department | FTE Change | Comment |
|----------------------------------|-------------------|--|
| Water Works | 6.5 | Revenue Supported Butler County Service Expansion |
| Law | 1.0 | Revenue Supported Administrative Hearings |
| Community Development & Planning | (0.1) | Efficiency Reduction |
| Health | (0.4) | Efficiency Reduction |
| Buildings & Inspections | (1.0) | Efficiency Reduction |
| Human Resources | (2.0) | Elimination of the Municipal Investigations Function |
| Sewers | (2.5) | Efficiency Reduction |
| Public Services | (4.4) | Efficiency Reduction |
| Total | (2.9) | |

My recommended staffing level continues to demonstrate a commitment to public safety and a reduction in non-public safety City staffing. As shown in Table III, the 2004 Recommended Budget Update General Fund staffing level of 3,839.5 FTE reflects a decrease of 319.6 FTE. A total of 384.8 non-safety FTE have been eliminated since the 2000 budget. During this same period, there was an increase of 65.2 FTE for Police and Fire. The net change in FTE since the 2000 budget is a reduction of 319.6 FTE. Public safety FTE account for 58.6% of General Fund staffing in the recommended 2004 Budget Update. Please see the City Staffing section of this report for specific staffing changes for each department.

Table III: GENERAL FUND FTE CHANGES 2000-2004

| | 2000 Budget | 2004 Recommended Update | FTE Change from 2000 Budget |
|------------------------|-------------|-------------------------------|-----------------------------------|
| Public Safety FTE | 2,185.9 | 2,251.1 | 65.2 |
| Non-Public Safety FTE | 1,973.2 | 1,588.4 | (384.8) |
| Total General Fund FTE | 4,159.1 | 3,839.5 | (319.6) |

General Fund

The recommended 2004 General Fund Budget Update of \$330.5 million represents an increase of 3.5%, or \$11.3 million more than the 2004 Approved Budget. The increase is primarily the result of the increased public safety labor contract costs, employee health care costs, and pension costs. It is noteworthy that departmental budgets decrease by \$249,860 compared to the 2004 Approved Budget, exclusive of Police, Fire, and non-departmental accounts including employee benefits. Police and Fire budgets are 57% of the total General Fund.

The Recommended 2004 General Fund Budget Update is balanced. The 2004 revenue estimate is \$314.0 million, which is \$1.5 million less than the 2004 Approved Budget level of \$315.5 million. This reduction is primarily due to the City Council-approved rollback of property tax revenue to the 2001 level, the freeze in Local Government Fund assistance from the State, lower investment earnings based on record low interest rates, and a decrease in the estimated EMS billing revenue because of vendor non-performance. These decreases are offset by a modest increase in City income tax revenues.

The recommended 2004 General Fund expenditure budget of \$330.5 million exceeds the 2004 revenue estimate by \$16.5 million. The recommended 2004 General Fund Budget Update can only be balanced by using all of the 2003 carryover balance estimated at approximately \$15.5 million and the transfer in of \$1.0 million in an other fund loan repayment. The carryover balance at the end of 2004 is projected at \$3.3 million and is only achieved by assuming a 1.0% expenditure savings in 2004. Please see the General Fund Forecast discussion that follows concerning the projected 2004 fund balance.

Table IV: 2004 GENERAL FUND BUDGET UPDATE SUMMARY**(in \$000s)**

| | 2003 Revised Estimate | 2004 Approved Budget | 2004 Budget Update Estimate |
|---|-----------------------------|----------------------------|--------------------------------------|
| Revenue | \$313,260 | \$315,522 | \$313,949 |
| Transfers In | 5,870 | 0 | 1,000 |
| Prior Year Carryover | <u>10,220</u> | <u>4,692</u> | <u>15,548</u> |
| Resources | \$329,350 | \$320,214 | \$330,497 |
| Operating Expenditures | \$312,460 | \$319,217 | \$330,464 |
| Transfer Expenditures | <u>5,870</u> | <u>0</u> | <u>0</u> |
| Total Expenditures | \$318,330 | \$319,217 | \$330,464 |
| Operating Surplus | \$11,020 | \$997 | \$33 |
| Expenditure Savings & Cancelled Encumbrances | <u>\$4,528</u> | <u>\$3,082</u> | <u>\$3,256</u> |
| Estimated Carryover | \$15,548 | \$4,079 | \$3,289 |

Six-year Forecast

The 2003/2004 Approved Budget for the General Fund was based on the six-year financial forecast of resources and expenditures developed with the assistance of Standard & Poor's/DRI (now Global Insight). Table V shows the Six-Year General Fund Forecast, which appeared in the 2003/2004 Approved Budget. Given the assumptions at that time, from 2003-2008 revenue was expected to increase by an annual average of 3.4% and expenditures were expected to increase by an annual average of 2.8%. Modest operating surpluses were expected each year and the cumulative carryover was expected to grow.

Table V: 2003/2004 APPROVED SIX-YEAR GENERAL FUND FORECAST**(in \$000s)**

| | 2003 Budget | 2004 Budget | 2005 Forecast | 2006 Forecast | 2007 Forecast | 2008 Forecast |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | \$307,615 | \$315,522 | \$325,477 | \$339,544 | \$351,879 | \$363,520 |
| Prior Year Carryover | <u>6,556</u> | <u>4,692</u> | <u>4,079</u> | <u>4,854</u> | <u>9,593</u> | <u>17,479</u> |
| Resources | \$314,171 | \$320,214 | \$329,556 | \$344,398 | \$361,472 | \$380,999 |
| Operating Expenditures | <u>\$312,502</u> | <u>\$319,217</u> | <u>\$329,464</u> | <u>\$339,710</u> | <u>\$349,045</u> | <u>\$358,446</u> |
| Total Expenditures and Transfers | \$312,502 | \$319,217 | \$329,464 | \$339,710 | \$349,045 | \$358,446 |
| Operating Surplus | \$1,669 | \$997 | \$92 | \$4,688 | \$12,427 | \$22,553 |
| Expenditure Savings/ Cancelled Encumbrances | <u>3,023</u> | <u>3,082</u> | <u>4,762</u> | <u>4,905</u> | <u>5,052</u> | <u>5,204</u> |
| Carryover | \$4,692 | \$4,079 | \$4,854 | \$9,593 | \$17,479 | \$27,757 |

Table VI below shows the Revised Six-Year General Fund Forecast for the 2004 Budget Update, which includes significant revenue and expenditure changes. Given the new assumptions, from 2003-2008 revenue is expected to increase by an annual average of 2.6% and expenditures are expected to increase by an annual average of 3.9%. Because expenditure growth outpaces revenue growth, there are operating deficits each year and the cumulative deficit is expected to grow significantly.

Based on the revised forecast and beginning in 2005, \$15.9 million in permanent annual revenue increases and/or expenditure reductions need to occur to balance each year through 2008. For example, a permanent budget expenditure reduction of about 5% beginning in 2005 would be required to achieve balanced annual budgets through 2008. This reduction is in addition to the 1% annual savings, which the City historically achieves annually. The lack of a carryover balance in the General Fund will also hinder the City's ability to achieve a targeted carryover/reserve balance of 10% of revenue.

Table VI: 2003/2004 REVISED SIX-YEAR GENERAL FUND FORECAST

(in \$000s)

| | 2003 Estimate | 2004 Estimate | 2005 Forecast | 2006 Forecast | 2007 Forecast | 2008 Forecast |
|---|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | \$313,260 | \$313,949 | \$323,590 | \$334,252 | \$344,157 | \$355,862 |
| Transfers In | 5,870 | 1,000 | | | | |
| Prior Year Carryover | 10,220 | 15,548 | 3,289 | (11,715) | (27,511) | (45,186) |
| Resources | \$329,350 | \$330,497 | \$326,879 | \$322,537 | \$316,646 | \$310,676 |
| Operating Expenditures | \$312,460 | \$330,464 | \$341,964 | \$353,533 | \$365,436 | \$377,870 |
| Transfer Expenditures | 5,870 | | | | | |
| Total Expenditures | \$318,330 | \$330,464 | \$341,964 | \$353,533 | \$365,436 | \$377,870 |
| Operating Surplus | \$11,020 | \$33 | (\$15,085) | (\$30,996) | (\$48,790) | (\$67,194) |
| Expenditure Savings/ Cancelled Encumbrances | 4,528 | 3,256 | 3,370 | 3,485 | 3,604 | 3,729 |
| Carryover | \$15,548 | \$3,289 | (\$11,715) | (\$27,511) | (\$45,186) | (\$63,465) |

The original forecast (Table V) was completed in April 2002. It is expected that a new forecast will be completed in spring, 2004 in anticipation of the 2005/2006 Biennial Budget. The following are current forecast assumptions:

- Revenue includes current 2003 estimates and 2004 estimates as described in the General Fund Revenue section of this document (page 10);
- Expenditure savings each year are based on 1% of the budget, exclusive of the Cincinnati Public Schools payment;
- The carryover balance includes available cash;
- The personnel cost inflation rate is 3%, except for the current labor contracts which have greater increases;
- The non-personnel cost inflation rate is based on the original Standard and Poor's/DRI estimates;
- Employer Cincinnati Retirement System cost is 11% of personnel cost;
- Employee health care benefit cost increases by 25% in 2003, 12% in 2004, and 10% thereafter; and
- Other employee benefits increase by 3% annually.

General Fund Revenue

The General Fund revenue estimate for 2004 in Table VII is \$313.9 million, which is a 0.2% increase over the current revised 2003 estimate of \$313.3 million. The four major General Fund revenue components are City Income Tax, State Shared Revenues (Estate Tax and Local Government Fund), Investments, and Property Taxes, all of which together comprise approximately 90% of General Fund revenue.

Table VII: 2004 REVISED 2003/2004 GENERAL FUND REVENUE ESTIMATES

(in \$000's)

| Category | 2002 Actual | 2003 Estimate | % Change | 2004 Estimate | \$ Change | % Change |
|-----------------------|-----------------|------------------|-------------|------------------|--------------|-------------|
| City Income Tax | \$185,258 | \$190,816 | 3.0% | \$197,495 | \$6,679 | 3.5% |
| Property Tax | \$29,027 | \$30,901 | 6.5% | \$28,988 | (\$1,913) | -6.2% |
| State Shared Revenues | \$50,648 | \$51,463 | 1.6% | \$48,427 | (\$3,036) | -5.9% |
| Investments | \$11,400 | \$9,500 | -16.7% | \$8,000 | (\$1,500) | -15.8% |
| Other Revenues | <u>\$29,328</u> | <u>\$30,580</u> | 4.3% | <u>\$31,039</u> | <u>459</u> | 1.5% |
| Total Revenues | \$305,661 | \$313,260 | 2.5% | \$313,949 | \$689 | 0.2% |

City Income Tax. City Income Tax revenue is budgeted to increase by \$6.7 million, or 3.5%, in 2004 over the estimate for 2003. It is estimated that 2003 Income Tax revenue will be \$5.6 million, or 3.0%, higher than 2002 actual revenue. For 2003, the 3.0% increase is primarily attributable to an increase in business net income tax revenue as the economy continues to grow. The 3.5% increase in 2004 reflects continued business net income tax revenue growth and an increase in individual income tax revenue from expected job growth and wage increases as the economy continues to improve.

The General Fund receives 1.55% of the 2.1% locally levied tax applied to gross salaries, wages, and other personal service compensation earned by residents of the City and to earnings of non-residents earned in the City. It also applies to net income of business organizations for business conducted in the City. The income tax is the largest single source of General Fund revenue accounting for 62.9% of those revenues.

State Shared Revenues. State Shared Revenues are the second largest source of revenue to the City General Fund accounting for 15.5% of City General Fund revenues. There are two major sources of these revenues: the Local Government Fund and the Estate Tax. The forecasted revenue for 2004 for the Estate Tax is \$19.0 million. This revenue source by its nature can be volatile. This revenue accounts for 6.1% of the General Fund.

The second source of state shared revenues is the Local Government Fund. The Local Government Fund revenues consist of portions of the State income, sales and use, public utility, and corporate franchise taxes allocated to a fund for distribution to local governments. City revenue growth is based on growth in

the State revenue sources. The entire State of Ohio absorbed a major cut in the Fund's allocation as the economic recession has hurt the State's revenue components. Under current legislation we can expect no increase in the Local Government Fund until after July 2006. The revenue accounts for 9.4% of General Fund Revenues.

Property Taxes. Property taxes account for 9.3% of the General Fund. The original 2004 estimate projected \$31.0 million to be generated from a 5.27 mills property tax rate. In June 2003, the City Council passed the Tentative Tax Budget reducing the property tax revenue to \$30.0 million to be generated from a 5.21 mills tax rate. In October 2003, the City Council passed the Tax Levy resolution establishing a 5.0 mills property tax rate reducing the property tax revenue to \$29.0 million, or the same amount collected in 2001. The 2004 estimate is \$1.9 million, or 6.2%, lower than the 2003 estimate.

Property taxes are levied on real property, public utilities property, and tangible property (equipment and inventory of business). The real property consists of residential, commercial, and industrial property. Traditionally property tax revenue fluctuates due to the statutorily required sexennial reappraisal and the intervening third year review and appeals which are granted to taxpayers. The City Charter authorizes a property tax levy of up to 6.1 mills for current operating purposes. The City Council sets that rate annually in the fall. It has been recent City Council policy to "rollback" or reduce property taxes for City operating purposes.

In addition, property taxes from public utility property are expected to be reduced because the taxable value of new public utility property is at a lower assessed value (25%) than that of existing utility property (88%) due to a 1993 change in State law. The portion of the property taxes from Tangible Personal Property will also be reduced over the next 12 years. Currently that property is valued at 23% of real value. The rate at which the inventory portion of this tax base is valued will decline by one percentage point in 2004 and two percentage points for eleven years starting in 2005 until there is no personal property tax.

Investments. Investment earnings are anticipated to decrease by \$1.5 million, or 15.8%, in 2004 compared to 2003 because of historically low interest rates on investments. The City uses a "laddered" approach to invest interim funds. Given the recent interest rate environment, as investments at relatively high interest rates mature, funds are reinvested at relatively low interest rates and investment earnings are reduced.

Others Revenues. This category includes charges for services, admissions taxes, licenses and permits, parking and traffic fines, and miscellaneous revenues. These various revenues comprise 9.9% of the General Fund revenues. These revenues are estimated to increase in 2004 by \$459,000, or 1.5%. Historically, these various revenues have grown slowly.

Changes in General Fund Expenditures for 2004

In this section, the recommended changes to each department's General Fund budget are described. Table VIII shows the change by department and is followed by a description of the changes for each department.

Table VIII: 2004 GENERAL FUND BUDGET UPDATE BY DEPARTMENT**General Fund Budget Summary - Update**

| Agency/Account | 2003 Approved Budget | 2004 Approved Budget | 2004 Recommended Change | 2004 Recommended Update |
|---------------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------|
| City Council | \$1,425,000 | \$1,438,590 | (\$1,610) | \$1,436,980 |
| Office of the Mayor | 442,990 | 446,000 | (350) | 445,650 |
| Clerk of Council | 822,830 | 1,045,470 | (21,680) | 1,023,790 |
| City Manager | | | | |
| Central Office | 1,454,900 | 1,496,690 | (95,520) | 1,401,170 |
| Economic Development Division | 0 | 0 | 264,780 | 264,780 |
| Managed Competition Coordinator | 0 | 0 | 146,180 | 146,180 |
| Buildings & Inspections | 5,252,540 | 5,411,810 | 0 | 5,411,810 |
| Citizens' Complaint Authority | 560,210 | 583,730 | 0 | 583,730 |
| Community Develop. & Planning | 10,142,400 | 10,363,720 | (1,214,590) | 9,149,130 |
| Finance | 8,225,290 | 8,529,390 | 0 | 8,529,390 |
| Fire | 54,987,660 | 56,501,970 | 1,904,550 | 58,406,520 |
| Health | 22,427,210 | 22,517,930 | (150,000) | 22,367,930 |
| Human Resources | 1,975,780 | 2,030,430 | (94,850) | 1,935,580 |
| Law | 4,474,010 | 4,574,170 | 146,750 | 4,720,920 |
| Parks | 4,687,530 | 4,772,060 | 25,000 | 4,797,060 |
| Police | 85,268,020 | 87,637,320 | 2,011,750 | 89,649,070 |
| Public Services | 20,273,690 | 20,215,290 | (385,800) | 19,829,490 |
| Recreation | 14,503,370 | 14,582,530 | 649,620 | 15,232,150 |
| Regional Computer Center | 3,725,880 | 3,860,710 | 482,210 | 4,342,920 |
| Transportation and Eng. | 2,954,580 | 3,069,450 | 0 | 3,069,450 |
| TOTAL ALL DEPARTMENTS | \$243,603,890 | \$249,077,260 | \$3,666,440 | \$252,743,700 |
| Cincinnati Public Schools | \$5,000,000 | \$5,000,000 | \$0 | \$5,000,000 |
| Employee Benefits & Pensions | 56,866,290 | 58,607,580 | 7,168,770 | 65,776,350 |
| Non-Departmental Accounts | 6,532,000 | 6,532,000 | 412,300 | 6,944,300 |
| Reserve for Contingencies | 500,000 | 0 | 0 | 0 |
| TOTAL NON-DEPARTMENTAL | \$68,898,290 | \$70,139,580 | \$7,581,070 | \$77,720,650 |
| GRAND TOTAL | \$312,502,180 | \$319,216,840 | \$11,247,510 | \$330,464,350 |

DEPARTMENTAL

City Council **(\$1,610)**

A decrease of \$1,610 is recommended due to a reduction in the salary escalator for City Councilmembers from the budgeted salary escalator of 2.6% to the actual salary escalator of 2.3%.

Office of the Mayor **(\$350)**

A decrease of \$350 is recommended due to a reduction in the salary escalator for the Mayor from the budgeted salary escalator of 2.6% to the actual salary escalator of 2.3%.

Clerk of Council **(\$21,680)**

A decrease of \$21,680 is recommended due to lower than anticipated personnel costs of \$440 and the transfer of \$21,240 to the Law Department for the Cincinnati Municipal Code publishing contract.

City Manager **\$315,440**

An increase of \$315,400 is attributable to City Council-approved initiatives concerning Economic Development and Managed Competition. The budget changes are presented by the three functional areas within the Office of the City Manager:

- Central Office **(\$95,520)**

The Central Office budget of the Office of the City Manager decreases \$95,520 and 1.0 FTE due to the transfer out of these resources to the Economic Development Division.

- Economic Development Division **\$264,780**

The increase is due to the transfer of 3.0 FTE from the Community Development Department to establish the Economic Development Division as well as the reassignment of an Assistant to the City Manager position from the Central Office of the Office of the City Manager to the Economic Development Division. These changes are based on the City Council approved Economic Development Task Force Recommendations (Res. #0077-2003 included as Attachment D). Personnel costs associated with these positions total \$247,080 and non-personnel costs total \$17,700. The total increase for this initiative is \$264,780.

- Managed Competition Coordinator **\$146,180**

This increase is for the addition of a Managed Competition Coordinator position as approved by the City Council (Doc. #200206114 included as Attachment E). Personnel costs associated with this position total \$88,480 and non-personnel costs total \$57,700. Non-personnel costs include professional services to assist agencies in their service reviews and RFP development. The total increase for this initiative is \$146,180.

Community Development and Planning Department **(\$1,214,590)**

A recommended net decrease of \$1,214,590 includes: a \$649,620 decrease resulting from the transfer of the Arts Policy funding and the Arts Consortium contract to the Recreation Department; a reduction of \$254,200 in the CCY Youth Employment Program contract funding (offset by a corresponding increase

in CDBG funding for the same program); a reduction of \$151,560 for the transfer of 3.0 FTE to the Office of the City Manager to establish the new Economic Development Division; a reduction of \$94,060 to maintain the Human Services Policy Funding at the 2003 approved level; a reduction of \$77,310 for the transfer of 1.0 FTE to the Law Department to perform duties as assigned by the Economic Development Division within the Office of the City Manager; a reduction of \$30,000 for the transfer of Special Improvement District (SID) assessment expenses to the Parking Meter Fund 303; and a reduction of \$5,180 for other non-personnel expenses. These decreases are offset by net increases totaling \$47,340 which include: \$35,730 for the net increased cost of the newly established Chief Planner position approved by the City Council; and \$11,610 in other net increases.

Fire Department

\$1,904,550

An increase of \$1,460,550 is recommended for the 5% wage increase negotiated for 2003 and 2004 in the Labor Agreement with the Cincinnati Fire Fighter's Union Local 48. The 2003/2004 approved budget included a 3% wage increase each year. Other items negotiated in the Labor Agreement result in an additional \$171,920 for increased Service Requirement Allowance payments, an additional \$144,980 for increased sworn strength longevity pay, and a decrease of \$20,000 for a reduction in wearing apparel.

A decrease of \$604,490 is recommended due to a change in sworn staffing costs. The estimated beginning sworn strength is 18 less than the beginning sworn strength included in the approved budget. This decrease is offset by an increase of \$227,270 for the addition of one Fire Recruit class based on the 2004 estimated annual average effective strength of 792.

Increases in personnel services include \$453,230 for overtime requirements due to the reduction in the estimated annual average effective strength to 792; \$300,350 for reduced position vacancy savings due to a change in the estimated number of sworn strength retirements from 23 to 11; \$192,910 for leap day funding; \$82,510 for an increase in the number of sworn members estimated to receive SWP Buyback in 2004; and \$22,540 for non-sworn wage increases. Non-personnel services increases by \$54,000 for motor vehicle accident (MVA) billing. These increases are offset by a personnel services decrease of \$567,150 for reduced lump sum retirement payments and a net non-personnel services decrease of \$14,070.

FIRE DEPARTMENT SWORN STRENGTH (In Full-Time Equivalent Positions)

| | 2003 Budget | 2003 Projected | 2004 Approved | 2004 Update |
|-------------------------------|----------------|-------------------|------------------|----------------|
| Authorized Strength | 787 | 787 | 787 | 787 |
| Annual Average Sworn Strength | 799 | 802 | 795 | 792 |

The approved 2004 personnel budget was based on a projected annual average sworn strength of 795. Based on the recommendation, the annual average sworn strength is projected to be 792 in the 2004 Budget Update. This is 5 more than the authorized strength of 787 as established by the City Council. The 2004 recommended budget supports a recruit class of 20 starting in July 2004 with an anticipated graduation date of November 2004.

Health Department**(\$150,000)**

A recommended budget reduction of \$150,000 is related to the 2004 elimination of three contracts related to perform ObGyn exams at health centers. University Hospital has agreed to offer the services at no hourly cost to the City.

Human Resources Department**(\$94,850)**

The recommended budget reduces the personnel services by \$120,330 (1.0 Senior Human Resources Analyst position and 1.0 Investigator position) related to the elimination of the municipal investigation function within the department. The personnel services recommended reduction is offset by a net non-personnel increase of \$25,480 to support contractual services for criminal investigations.

Law Department**\$146,750**

A recommended increase of \$146,750 includes a \$109,750 increase in personnel costs and a \$37,000 increase in non-personnel costs. The recommended budget includes the addition of two positions: 1) a Clerk Typist 3 in the Office of Administrative Hearings to process the increasing volume of litter control cases; and, 2) an Assistant City Solicitor to perform duties as assigned by the Economic Development Division within the Office of the City Manager. The salary cost of Clerk Typist 3 position will be offset by increased fine revenues. The personnel cost of the Assistant City Solicitor will be offset by corresponding reductions in the Community Development Department. The creation of an Economic Development Division within the Office of the City Manager responds to a recommendation of the Mayor's Economic Development Task Force, which received approval from the City Council.

The recommended non-personnel budget includes the addition of \$37,000 for the processing and publishing of the Cincinnati Municipal Code (CMC). This function was originally the responsibility of the Law Department but was shifted to the Clerk of Council in the 2003/2004 Biennial Budget process. In the recommended 2004 Update Budget this function will revert back to the Law Department because the Clerk's Office did not have sufficient staffing resources to manage the CMC administration. Publication costs have increased in recent years and the Law Department will also assume the cost and responsibility of maintaining a CMC website. CMC publication costs are expected to approach \$37,000 in 2003. This recommended non-personnel addition represents the full cost of the CMC maintenance and publication function.

Parks Department**\$25,000**

In August 2003 the City Council approved a \$.01 increase in the Urban Forestry Street Tree Assessment, raising the assessment from \$.14 to \$.15 per linear foot. The increase will generate approximately \$100,000 annually for the Urban Forestry program to cover rising costs related to inflation and the City's prevailing wage requirements for contractors. An increase of \$25,000 is recommended for the Parks Department to pay the additional assessment costs for City-owned property.

Police Department**\$2,011,750**

An increase of \$1,084,330 is recommended for the 2% Training Pay provision included in the FOP Labor Agreement. The FOP Labor Agreement also requires an additional \$1,083,070 for the incremental increase in the OPOTA certification pay from 2% in 2003 to 4% in 2004. Increased recommendations also include \$224,860 for leap day funding and \$15,770 for the change of a Hostler position from part-time status to full-time status during 2003. These increases are offset by a transfer out of \$205,700 in Police Officers' salaries to the Parking Meter Fund 303, \$161,610 in position vacancy savings for non-sworn staff due to the timing lapse in filling Emergency 911 Operator and Operator and Dispatcher vacant positions, and a net reduction of \$50,910 in other personnel adjustments.

A net non-personnel increase of \$32,240 is recommended. This includes a non-personnel reduction of \$80,000 in the rental vehicle line item, based on savings associated with changes in the management of covert vehicles, and is offset by an additional \$50,000 for one-time City sponsorship of the Crimestoppers Convention to be held in Cincinnati, \$40,000 for an increase in the building cleaning contract and various other changes which result in a net non-personnel increase of \$22,240. Also recommended is a \$10,300 reduction in debt service based on debt service requirements associated with the Impound Lot financing.

POLICE DEPARTMENT SWORN STRENGTH
(In Full-Time Equivalent Positions)

| | 2003 Budget | 2003 Projected | 2004 Approved | 2004 Update |
|-------------------------------|----------------|-------------------|------------------|----------------|
| Authorized Strength | 1,045 | 1,045 | 1,060 | 1,060 |
| Annual Average Sworn Strength | 1,028 | 1,009 | 1,042 | 1,031 |

The approved 2004 personnel budget was based on a projected annual average sworn strength of 1,042 and the 2004 annual average sworn strength is projected to be 1,031 in the 2004 Budget Update. This is 29 less than the authorized sworn strength of 1,060.

The Police Department is continuing with the City Council motion (October 3, 2001) to add 75 police officers to the sworn strength complement. Due to recruiting challenges, and in consideration of police academy class scheduling and capacity, the Police Department added 45 additional police officers to the sworn strength complement in 2003 and 15 additional police officers will be added in 2004 and in 2005 to reach the sworn strength complement of 1,075. Achieving and maintaining police staffing levels are regularly affected by unanticipated retirements and separations from employment. Based on the classes scheduled for 2004, it is projected that the Police Department will exceed its 2004 planned sworn strength complement of 1,060 by 7 in August 2004 and by year-end the sworn strength is projected to decrease to 1,055. Similarly, based on classes scheduled for 2005, it is projected that the Police Department will exceed its 2005 planned sworn strength complement of 1,075 by 14 in August 2005 and by year-end the sworn strength is projected to be 1,078. It should be noted, however, that these projections can change significantly based on the actual number and timing of the retirements and separations.

Public Services Department**(\$385,800)**

The recommended budget update includes the following reductions: 1) a personnel budget reduction of \$156,450; 2) a decrease of \$395,550 in the sundry contractual services non-personnel line item; 3) the transfer of \$600,000 in Right-of-Way Program costs to the Street Construction Fund 301 budget; and, 4) the transfer of \$50,000 in slippery street salt cost to the Motor Vehicle License Tax Fund 306.

These reductions are partially offset by a \$552,000 increase to reinstate the Yard Waste Program, a \$254,200 increase for the CCY Weed and Litter Program transferred from the Community Development and Planning Department, and a \$10,000 increase for customer service training associated with the City Council approved Contact Request Management System to provide a coordinated City response to request for City services.

Recreation Department**\$649,620**

A recommended net increase of \$649,620 includes \$440,950 for the transfer in of the Arts Policy and \$208,670 for the Arts Consortium contract from the Community Development and Planning Department.

Regional Computer Center**\$482,210**

A recommended increase of \$482,210 includes the technical restoration of \$48,760 for tuition, travel, and training. The Regional Computer Center (RCC) includes staff that support exclusively Hamilton County information technology functions. These positions are funded by Hamilton County. The City's 2003 tuition, travel, and training reduction was applied to the entire RCC budget, as opposed to just the Cinsy portion. An amount of \$48,760 is added to the 2004 RCC budget to maintain minimum training and certification requirements for Cinsy (Cincinnati System) staff. Additional recommendations for Information Technology Initiatives and the Contact Request Management System (CRS) include: \$188,300 for Information Security Initiatives; \$167,750 to support Metropolitan Area Network CSR Enhancements; and \$77,400 CSR operating support for Cincinnati Area Geographical Information Systems CSR operating support.

NON-DEPARTMENTAL**Employee Benefits and Pensions****\$7,168,770**

The recommended net increase in Employee Benefits and Pensions is primarily the result of an increase of \$2,774,260 in the City Retirement System contribution (from 7.0% of payroll to 11.0% of payroll), higher cost health insurance of \$2,278,150, increases in the Police Pension and Fire Pension costs of \$916,090 and \$742,090, respectively, based on increased contractually based salaries and wages, and an increase of \$469,000 in the Workers' Comp Insurance costs. These increases are offset by a net decrease of \$10,820 in other employee benefits and pension categories.

Other Non-Departmental Accounts**\$412,300**

The recommended increase of \$412,300 is due to an increase in the Property Investment Reimbursement economic development agreements. During 2003, two new Property Investment Reimbursement agreements were established for Ernst and Young, LLP and Dunhumby USA, LLC and will be due for payment in 2004.

Restricted Funds

Non-Appropriated Restricted Funds

At the bottom of the “All Funds Operating Budget” table on page 21 there is a total for non-appropriated Restricted Fund operating budgets. These funds are typically grants or single purpose funds. Non-appropriated funds have ongoing authorization for expenditures within resources by virtue of their enabling legislation. The budgets are based on available resources. The recommended 2004 Non-Appropriated Restricted Funds budget update of \$21.6 million is \$1.6 million, or 8.2%, more than the approved 2004 budget. The overall increase is primarily due to increases of:

- \$424,390 within Fund 350 – Public Health Research;
- \$344,630 within Fund 353 – Home Health Services;
- \$243,020 within Fund 369 – Criminal Activities Forfeiture;
- \$198,570 within Fund 391 – Women & Children Food Grant Program; and
- \$123,200 within Fund 792 – Forestry Assessments.

In addition to these increases there is a net increase of \$297,720 across the other non-appropriated funds.

Appropriated Restricted Funds

Although all of the Appropriated Restricted Funds are balanced, several of the Appropriated Restricted Funds have estimated fund balances less than 10.0% of estimated revenue for 2004. A 10.0% fund balance is a generally accepted financial policy that allows for a prudent contingency for unexpected revenue decreases and expenditure increases. Restricted Funds that do not reflect a 10.0% fund balance in 2004 include: Parking Facilities Fund 102, Municipal Golf Fund 105, Street Construction, Maintenance, and Repair Fund 301, Motor Vehicle License Tax Fund 306, Recreation Special Activities Fund 323, Cable Communications Fund 424, and the Income Tax-Transit Fund 759. These funds will be monitored closely and expenditure reductions may be required during 2004 based on actual revenues and expenditures in 2003.

What follows is an explanation for each appropriated fund of the change in revenues and expenditures for the Recommended 2004 Operating Budget Update compared to the approved 2004 budget. Beginning on page 26, fund tables reflecting estimated revenues, recommended expenditures, and projected ending balances for each appropriated fund are provided.

Appropriated Restricted Fund Revenue Changes

Water Works Fund 101

The Water Works Fund revenue estimate has been increased by \$0.6 million from the 2004 Approved Budget revenue estimate of \$104.0 million to the 2004 Budget Update revenue estimate of \$104.6 million. This increase is primarily attributable to a planned 3.0% rate increase in 2004 and additional revenues generated as a result of the planned Butler County service expansion. The 2004 rate increase of 3.0% is consistent with the rate increase included in the 2004 Approved Budget. The additional revenue generated by the planned 3.0% rate increase is partially offset by decreases in investment earnings based on historically low interest rates and estimated water usage.

Parking System Facilities Fund 102

The Parking System Facilities Fund revenue estimate has been decreased by \$0.9 million in the 2004 Operating Budget Update from \$9.0 million to \$8.1 million. Revenue from downtown parking garages has been less than originally estimated in 2003 and that trend is expected to continue in 2004. The 2004 revenue estimate is based on actual receipts in 2003 plus 5.0%, as provided in the approved Parking Improvement Plan.

Convention Center Fund 103

The Convention Center Fund revenue estimate has been decreased by \$1.25 million in the 2004 Budget Update, from \$4.5 million to \$3.25 million. Beginning in 2004, event bookings and corresponding revenues will decrease because the Convention Center will undergo a \$145 million renovation and expansion project that is expected to be completed in July 2006. In May 2004, reconstruction will begin on exhibit halls and meeting rooms that will greatly reduce bookings and associated revenue.

General Aviation Fund 104

The General Aviation Fund revenue estimate has been increased by \$100,000, from the 2004 Approved Budget revenue estimate of \$1.7 million to \$1.8 million. This increase is related to landing fee and rental fee adjustments.

Bond Retirement Fund 151

The Bond Retirement Fund revenue estimate has been increased by \$26.9 million from \$59.9 million to \$86.8 million to reflect bond sale proceeds to retire bond anticipation notes for the Convention Center facility and Street Improvements.

Street Construction Fund 301

The Street Construction Fund revenue estimate has been increased by \$1.2 million from the 2004 Approved Budget revenue estimate of \$7.4 million to \$8.6 million. This increase is related to an increase in State Gasoline Tax Revenues approved by the State of Ohio.

Income Tax-Infrastructure Fund 302

The Income Tax-Infrastructure Fund revenue estimate has been increased by \$0.2 million from the 2004 Approved Budget revenue estimate of \$12.8 million to \$13.0 million. This increase is related to revised revenue projections for the City's earnings tax portion dedicated to infrastructure.

Municipal Motor Vehicle License Tax Fund 306

The Municipal Motor Vehicle License Tax Fund revenue estimate has been decreased by \$0.15 million, from the 2004 Approved Budget revenue estimate of \$2.65 million to \$2.50 million. This decrease is related to the refunding of revenues to correct past errors in the distribution of Motor Vehicle License Tax revenues among local governments within the State of Ohio.

Sawyer Point Fund 318

The Sawyer Point Fund revenue estimate has been decreased by \$125,000 from \$950,000 to \$825,000 in the 2004 Operating Budget Update. Revenue has continued to decline primarily due to the loss of parking fee revenue from employees of Arthur Andersen, LLP who no longer use the Recreation Department's parking facilities.

Recreation Special Activities Fund 323

The Recreation Special Activities Fund revenue estimate has been increased by \$0.1 million from \$3.1 million to \$3.2 million in the 2004 Operating Budget Update. This increase is related to additional revenue generated from the new College Hill and Madisonville Recreation Centers.

Metropolitan Sewer District Fund 701

The Metropolitan Sewer District Fund revenue estimate has been increased by \$2.8 million, from the 2004 Approved Budget revenue estimate of \$133.4 million to \$136.2 million. This increase is primarily attributable to a 5.0% rate increase. This is 2% less than the 7% included in the current rate study. The proposed lower rate increase is due to cost control measures and favorable interest rates.

The revenue estimate does not reflect any rate increases that may be required as a result of the Consent Decree settlement currently under review by the City and Hamilton County. The major component of the Consent Decree is the remediation of Combined Sewer Overflows (CSOs) and Sanitary Sewer Overflows (SSOs) that occur when large storms generate wastewater volume in excess of the sewer system's capacity. In addition to the proposals included in the Consent Decree, also being considered is a comprehensive Water-In-Basement (WIB) response program. The estimated rate increase required in 2004 to address the Consent Decree and the WIB program is estimated to be 9.0%, bringing the total 2004 rate increase to an estimated 14.0%. Both revenue and expenditure recommendations will be presented to the City Council in the context of the Consent Decree which is subject to City Council approval.

Income Tax–Transit Fund 759

The Income Tax–Transit Fund revenue estimate has been increased by \$0.5 million from the 2004 Approved Budget revenue estimate of \$37.9 million to \$38.4 million. This increase is related to revised projections for the City's earnings tax portion dedicated to transit.

Table IX: 2004 APPROPRIATED RESTRICTED FUNDS UPDATE**Operating Budgets by Fund - Update**

| Fund | Fund Name | 2003 Approved Budget | 2004 Approved Budget | 2004 Recommended Change | 2004 Recommended Update |
|-----------------------------|-------------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------|
| 050 | General Fund | \$312,502,180 | \$319,216,840 | \$11,247,510 | \$330,464,350 |
| 101 | Water Works | \$92,612,190 | \$96,020,420 | \$1,908,220 | \$97,928,640 |
| 102 | Parking Facilities | 7,851,650 | 7,936,730 | 1,400,420 | 9,337,150 |
| 103 | Convention Center | 4,890,790 | 4,961,500 | (455,100) | 4,506,400 |
| 104 | General Aviation | 1,453,830 | 1,477,350 | 135,340 | 1,612,690 |
| 105 | Municipal Golf | 6,492,310 | 6,480,100 | (157,960) | 6,322,140 |
| 107 | Stormwater Management | 7,219,230 | 7,238,670 | 50,390 | 7,289,060 |
| 151 | Bond Retirement | 65,917,000 | 60,520,000 | 30,568,070 | 91,088,070 |
| 301 | Street Construction | 7,905,110 | 7,888,940 | 752,060 | 8,641,000 |
| 302 | Income Tax-Infrastructure | 13,304,480 | 12,638,790 | 1,539,850 | 14,178,640 |
| 303 | Parking Meter | 2,360,620 | 1,317,570 | 302,250 | 1,619,820 |
| 304 | Community Dev. Block Grant | 3,125,180 | 3,185,190 | 318,560 | 3,503,750 |
| 306 | Motor Vehicle License Tax | 2,969,900 | 2,650,620 | (37,220) | 2,613,400 |
| 318 | Sawyer Point | 1,177,360 | 1,180,500 | 5,010 | 1,185,510 |
| 323 | Recreation Special Activities | 3,249,780 | 3,252,410 | (65,060) | 3,187,350 |
| 395 | Health Services | 4,643,410 | 4,266,920 | 95,850 | 4,362,770 |
| 424 | Cable Communications | 1,620,720 | 1,663,790 | 450,830 | 2,114,620 |
| 701 | Metropolitan Sewer District | 129,459,680 | 134,933,870 | 1,516,590 | 136,450,460 |
| 759 | Income Tax-Transit | 36,336,330 | 37,759,790 | (108,980) | 37,650,810 |
| APPROPRIATED RESTRICTED | | \$392,589,570 | \$395,373,160 | \$38,219,120 | \$433,592,280 |
| NON-APPROPRIATED RESTRICTED | | \$19,716,700 | \$20,009,510 | \$1,631,530 | \$21,641,040 |
| RESTRICTED FUNDS TOTAL | | \$412,306,270 | \$415,382,670 | \$39,850,650 | \$455,233,320 |
| TOTAL ALL FUNDS | | \$724,808,450 | \$734,599,510 | \$51,098,160 | \$785,697,670 |

Note: Community Development Block Grant Fund 304 amounts above are not included in Table I presented in the All-Funds Overview section of this report.

Appropriated Restricted Fund Expenditure Changes

Water Works Fund 101

\$1,908,220

The Water Works Fund expenditures increase by \$1,908,220 from \$96,020,420 to \$97,928,640. The recommended increase includes \$1,241,810 as a result of the planned Butler County service expansion. Additionally, employee benefits and General Fund overhead costs increase by \$2,040,480. These increases total \$3,282,290 and are offset by a decrease of \$1,346,670 in debt service requirements based on lower than anticipated bond issuance costs associated with the March 2003 revenue bond sale and net savings of \$27,400 based on operational efficiencies across the department.

After accounting for the planned Butler County service expansion, increased employee benefit costs and decreased debt service requirements, the 2004 Water Works Fund operating budget reflects a decrease of \$27,400 from the 2004 Approved Budget.

Parking System Facilities Fund 102

\$1,400,420

The expenditure recommendation in the Parking System Facilities Fund has been increased by \$1,400,420, from \$7,936,730 to \$9,337,150. This recommended increase is primarily related to an approximate net increase in debt service of \$1,235,320 for permanent financing costs for the 7th and Broadway facility and the new Central Parkway & Vine Street facility. The overall expenditure increase is also related to the following recommended changes: 1) an increase of \$150,750 for employee benefits and General Fund overhead; 2) the continuation of the \$100,000 transfer to Music Hall for operation of the Towne Center Garage per the City's contractual agreement which was inadvertently omitted from the 2003/2004 Approved Budget; and 3) a decrease of \$85,650 related to the elimination of a Parking Services Supervisor position and a Clerk Typist 3 position.

Convention Center Fund 103

(\$455,100)

The expenditure recommendation in the Convention Center Fund has been decreased by \$455,100 from \$4,961,500 to \$4,506,400. This recommended decrease is primarily related to a reduction of \$327,530 in personnel services that will not be needed due to fewer events at the Center during the expansion and renovation project. A reduction of \$158,140 in non-personnel services is also recommended for items such as cleaning supplies, lumber, and paint. The recommended reductions are offset by an increase of \$30,570 for employee benefits and General Fund overhead.

General Aviation Fund 104

\$135,340

The General Aviation Fund expenditure recommendation has been increased by \$135,340 from \$1,477,350 to \$1,612,690. This recommended increase includes \$47,000 for one-time fleet repairs, \$22,000 for one-time security upgrades at Lunken Airport, \$20,000 for Stormwater Management charges, \$15,000 to reimburse the Transportation and Engineering for support services, and \$31,340 for employee benefits and General Fund overhead.

Municipal Gold Fund 105

(\$157,960)

The Municipal Golf Fund expenditure recommendation has been decreased by \$157,960 from \$6,480,100 to \$6,322,140. This recommended decrease is due to a decrease of \$9,850 in employee benefits and General Fund overhead, a decrease of \$1,500 in non-local travel expenditures, and a decrease of \$150,000 in contractual services to maintain 5% fund balance. These decreases are offset by an increase of \$3,390 in salaries based on the current staffing complement.

Stormwater Management Utility Fund 107**\$50,390**

The Stormwater Management Utility Fund expenditure recommendation has been increased by \$50,390 from \$7,238,670 to \$7,289,060. The recommendation includes a \$62,700 increase in employee benefits and General Fund overhead and is partially offset with a net decrease of \$12,310 in personnel and non-personnel.

Bond Retirement Fund 151**\$30,568,070**

The Bond Retirement Fund expenditure recommendation represents an increase of \$30.6 million from \$60.5 million to \$91.1 million. This recommended increase is primarily due to an additional Convention Center Facility bond anticipation note, which was renewed in 2003, and a Street Improvement bond anticipation note to expedite street rehabilitation in 2004. Both will be repaid with the sale of permanent bonds. Although these notes require an increased appropriation, the notes do not result in an increase in City debt because they will be paid off from permanent bonds during 2004.

Street Construction Fund 301**\$752, 060**

The Street Construction Fund expenditure recommendation has been increased by \$752,060 from \$7,888,940 to \$8,641,000. This recommended increase is due to the transfer in of \$600,000 in Right-of-Way maintenance from the General Fund, an increase in employee benefits in the amount of \$352,060, and an increase of \$250,000 to establish a slippery streets salt reserve in addition to the annual salt budget. These increases are offset by a transfer out of \$450,000 to the Income Tax-Infrastructure Fund 302 to achieve a 5% reserve balance coverage in the Street Construction Fund.

Income Tax-Infrastructure Fund 302**\$1,539,850**

The Income Tax-Infrastructure Fund expenditure recommendation has been increased by \$1,539,850 from \$12,638,790 to \$14,178,640. This recommended increase includes \$33,370 for the Department of Human Resources for a position reclassification, \$20,010 for the Department of Law to fully fund the portion of the real estate management function transferred to Fund 302 from the General Fund during the 2003/2004 budget process, \$228,250 to cover the cost of shifting a portion of the Department of Parks' basic maintenance services from the General Fund to the Income Tax-Infrastructure Fund, \$11,770 for the Regional Computer Center based on actual costs for the City's share of CAGIS (Cincinnati Area Geographic Information System), a \$550,000 increase for the Department of Public Services for street maintenance activities resulting from the transfer of \$450,000 in expenses from the Street Construction Fund 301 and the transfer of \$100,000 of expenses from the Municipal Motor Vehicle License Tax Fund 306, and \$696,450 for employee benefits and General Fund overhead.

Parking Meter Fund 303**\$302,250**

The Parking Meter Fund expenditure recommendation has been increased by \$302,250 from \$1,317,570 to \$1,619,820. This recommended increase is due to the transfer in of \$205,700 for Police Officers' salaries from the General Fund due to the additional funding capacity in the Parking Meter Fund, and an increase for the special improvement district (SID) assessment in the amount of \$100,000 to consolidate assessment expenses for General Fund supported properties. SID assessment expenses for non-General Fund supported properties are charged to the corresponding restricted fund. The recommended increase is offset by a reduction in employee benefits of \$3,450.

Municipal Motor Vehicle License Tax Fund 306 **(\$37,220)**

The Municipal Motor Vehicle License Tax Fund expenditure recommendation has been decreased by \$37,220 from \$2,650,620 to \$2,613,400. This recommended decrease is due to the transfer out of \$100,000 to the Income Tax-Infrastructure Fund 302 to achieve a reserve balance coverage of 5%, an increase in employee benefits and General Fund overhead in the amount of \$12,780, and the transfer in of slippery street salt costs in the amount of \$50,000 from the General Fund.

Sawyer Point Fund 318 **\$5,010**

The Sawyer Point Fund expenditure recommendation has been increased by \$5,010 from \$1,180,500 to \$1,185,510. An additional \$5,010 is recommended for employee benefits and General Fund overhead.

Recreation Special Activities Fund 323 **(\$65,060)**

The Recreation Special Activities Fund expenditure recommendation has been decreased by \$65,060 from \$3,252,410 to \$3,187,350. This change is due to an increase of \$33,350 for employee benefits and General Fund overhead and a decrease of \$98,410 in part-time and seasonal personnel expenditures to maintain a minimum fund balance of 5.0%.

Health Services Fund 395 **\$95,850**

The Health Services Fund expenditure recommendation has been increased by \$95,850 from \$4,266,000 to \$4,362,770. This change includes \$130,710 for increases in employee benefits, a decrease of \$29,860 in the Health Department due to the net transfer of 1.0 FTE to other funds, and a \$5,000 decrease in rent expenses based on actual lease costs.

Cable Communications Fund 424 **\$450,830**

The Cable Communications Fund expenditure recommendation has been increased by \$450,830 from \$1,663,790 to \$2,114,620. This recommended increase is due to the transfer in of \$42,830 for an Information Technology Coordinator position for the City Manager's Office which occurred in 2003, an addition of \$304,900 for Electronic Government Initiatives, and an increase in employee benefits and General Fund overhead in the amount of \$103,100.

Metropolitan Sewer District Fund 701 **\$1,516,590**

The Metropolitan Sewer District Fund expenditure recommendation has been increased by \$1,516,590 from \$134,933,870 to \$136,450,460 which is about a 1% increase from the 2004 Approved Budget. The recommendation includes a \$1,950,810 increase in employee benefits and General Fund overhead, and is partially offset with a net decrease of \$434,220 in personnel and non-personnel expenditures based on anticipated need.

The recommendation does not represent a revised budget that was submitted to Hamilton County reflecting the potential costs of the pending Consent Decree or Water-in-Basements (WIB) program. The Consent Decree settlement under review by the City and Hamilton County will increase operating expenditures to address combined sewer and sanitary sewer overflows and water in basements throughout the County. The revised budget under consideration by the County includes additional expenditures in 2004 of \$8,397,966 for a total 2004 expenditure level of \$144,848,426. The additional expenditures include \$6.9 million for the WIB program, \$1.2 million in fines, and a net increase of \$0.3 million in

other expense categories. The proposed total cost for implementing the Consent Decree would be capped at \$1.5 billion over 19 years.

Income Tax-Transit Fund 759

(\$108,980)

The Income Tax-Transit Fund expenditure recommendation has been reduced by \$108,980 from \$37,759,790 to \$37,650,810. As shown in Table X, the recommended operating expenditures include an increase of \$5,680 for the 2004 SORTA operating budget, and is offset by a reduction of \$114,660 in City Department Income Tax-Transit Fund expenditures. The City Department Income Tax-Transit Fund decrease is due to a \$74,070 reduction in the Community Development and Planning Department's budget related to the transfer of the Van Pool/Reverse Commute Program to SORTA during 2003 and a \$40,590 reduction for General Fund overhead.

Table X: 2004 INCOME TAX-TRANSIT FUND 759 BUDGET UPDATE

| | 2004 Approved Budget | 2004 Recommended Budget Update | Change |
|------------------------------------|----------------------------|--------------------------------------|------------|
| SORTA | \$36,957,890 | \$36,963,570 | \$5,680 |
| City Department Income Tax-Transit | 801,900 | 687,240 | (114,660) |
| Total Fund 759 | \$37,759,790 | \$37,650,810 | -\$108,980 |

The 2004 Budget Update recommendation for SORTA is \$36,963,570, which is a \$5,680 increase compared to the 2004 Approved Budget amount of \$36,957,890. The recommended 2004 amount is a 1% decrease from the 2003 estimated expenditures. The \$36,963,570 recommendation matches the 2004 requested budget approved by the SORTA Board at its November 5, 2003 meeting. The requested budget includes various service efficiencies related to SORTA's Comprehensive Operational Analysis, as well as proposed fare increases related to zones and services outside the City of Cincinnati. The only fare impact to City of Cincinnati residents would be a five-cent increase for transfers from one zone to another zone. Transfers would still be valid at any location on any route in any direction for one to one-and-a-half hours.

The SORTA Board has scheduled a public hearing to discuss proposed service modifications and fare changes for Tuesday, December 2, 2003, at the Cincinnati Convention Center. The City Council must approve any proposed fare changes.

Appropriated Restricted Funds 2004 Budget Update

| (In \$000s) | 2003 Approved | 2004 Approved | 2004 Update |
|---|------------------|------------------|----------------|
| Water Works - Fund 101 | | | |
| Revenue | 101,064 | 104,033 | 104,603 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>41,510</u> | <u>37,408</u> | <u>31,674</u> |
| Resources | 142,574 | 141,441 | 136,277 |
| Operating Expenditures | 92,612 | 96,020 | 97,929 |
| Transfers to Capital | <u>12,554</u> | <u>12,321</u> | <u>12,189</u> |
| Resources Minus Expenditures | 37,408 | 33,100 | 26,159 |
| Parking System Facilities - Fund 102 | | | |
| Revenue | 8,382 | 9,026 | 8,100 |
| Transfers In | | | |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>4,468</u> | <u>3,909</u> | <u>2,624</u> |
| Resources | 12,850 | 12,935 | 10,724 |
| Operating Expenditures | 7,851 | 7,937 | 9,337 |
| Transfers to Capital | <u>1,090</u> | <u>1,475</u> | <u>925</u> |
| Resources Minus Expenditures | 3,909 | 3,523 | 462 |
| Convention Center - Fund 103 | | | |
| Revenue | 4,500 | 4,500 | 3,250 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>1,970</u> | <u>1,579</u> | <u>1,652</u> |
| Resources | 6,470 | 6,079 | 4,902 |
| Operating Expenditures | <u>4,891</u> | <u>4,962</u> | <u>4,506</u> |
| Resources Minus Expenditures | 1,579 | 1,117 | 396 |
| General Aviation - Fund 104 | | | |
| Revenue | 1,750 | 1,750 | 1,845 |
| Transfers In | | | |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>1,344</u> | <u>1,210</u> | <u>1,116</u> |
| Resources | 3,094 | 2,960 | 2,961 |
| Operating Expenditures | 1,454 | 1,477 | 1,613 |
| Transfers to Capital | <u>430</u> | <u>460</u> | <u>460</u> |
| Resources Minus Expenditures | 1,210 | 1,023 | 888 |

Appropriated Restricted Funds 2004 Budget Update

| (In \$000s) | 2003 Approved | 2004 Approved | 2004 Update |
|--|------------------|------------------|----------------|
| Municipal Golf - Fund 105 | | | |
| Revenue | 6,450 | 6,450 | 6,450 |
| Transfers In | | | |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>505</u> | <u>463</u> | <u>177</u> |
| Resources | 6,955 | 6,913 | 6,627 |
| Operating Expenditures | 6,492 | 6,480 | 6,322 |
| Transfers to Capital | | | 0 |
| Incentive Fee | | | 0 |
| Resources Minus Expenditures | 463 | 433 | 305 |
| Stormwater Management Utility - Fund 107 | | | |
| Revenue | 7,700 | 7,700 | 7,700 |
| Transfers In | | | |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>2,982</u> | <u>2,379</u> | <u>3,618</u> |
| Resources | 10,682 | 10,079 | 11,318 |
| Operating Expenditures | 7,219 | 7,239 | 7,289 |
| Transfers to Capital | 1,084 | 1,756 | 1,756 |
| Resources Minus Expenditures | 2,379 | 1,084 | 2,273 |
| Bond Retirement - Fund 151 | | | |
| Revenue | 66,265 | 59,867 | 86,764 |
| Prior Year Carryover | <u>2,531</u> | <u>2,879</u> | <u>6,133</u> |
| Resources | 68,796 | 62,746 | 92,897 |
| Operating Expenditures | 65,917 | 60,520 | 91,088 |
| Resources Minus Expenditures | 2,879 | 2,226 | 1,809 |
| Street Construction, Maintenance, and Repair - Fund 301 | | | |
| Revenue | 7,500 | 7,400 | 8,550 |
| Prior Year Cancellations | | | 582 |
| Prior Year Carryover | <u>1,117</u> | <u>712</u> | <u>0</u> |
| Resources | 8,617 | 8,112 | 9,132 |
| Operating Expenditures | 7,905 | 7,889 | 8,641 |
| Resources Minus Expenditures | 712 | 223 | 491 |

Appropriated Restricted Funds 2004 Budget Update

| (In \$000s) | 2003 Approved | 2004 Approved | 2004 Update |
|---|------------------|------------------|----------------|
| Income Tax-Infrastructure - Fund 302 | | | |
| Revenue | 12,302 | 12,786 | 12,952 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>2,848</u> | <u>1,846</u> | <u>3,007</u> |
| Resources | 15,150 | 14,632 | 15,959 |
| Operating Expenditures | 13,304 | 12,639 | 14,179 |
| Transfers to Capital | | | |
| Resources Minus Expenditures | 1,846 | 1,993 | 1,780 |
| Parking Meter - Fund 303 | | | |
| Revenue | 910 | 929 | 929 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>2,243</u> | <u>792</u> | <u>899</u> |
| Resources | 3,153 | 1,721 | 1,828 |
| Operating Expenditures | 2,361 | 1,318 | 1,620 |
| Transfers to Capital | | | |
| Resources Minus Expenditures | 792 | 403 | 208 |
| Municipal Motor Vehicle License Tax - Fund 306 | | | |
| Revenue | 2,650 | 2,650 | 2,500 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>788</u> | <u>468</u> | <u>248</u> |
| Resources | 3,438 | 3,118 | 2,748 |
| Operating Expenditures | 2,970 | 2,651 | 2,613 |
| Resources Minus Expenditures | 468 | 467 | 135 |
| Sawyer Point - Fund 318 | | | |
| Revenue | 925 | 950 | 825 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>488</u> | <u>236</u> | <u>827</u> |
| Resources | 1,413 | 1,186 | 1,652 |
| Operating Expenditures | 1,177 | 1,181 | 1,186 |
| Resources Minus Expenditures | 236 | 5 | 466 |

Appropriated Restricted Funds 2004 Budget Update

| (In \$000s) | 2003 Approved | 2004 Approved | 2004 Update |
|---|------------------|------------------|----------------|
| Recreation Special Activities - Fund 323 | | | |
| Revenue | 3,050 | 3,050 | 3,150 |
| Transfers In | | | |
| Prior Year Cancellations | 15 | 15 | |
| Prior Year Carryover | <u>388</u> | <u>203</u> | <u>212</u> |
| Resources | 3,453 | 3,268 | 3,362 |
| Operating Expenditures | 3,250 | 3,252 | 3,187 |
| Transfers to Capital | | | |
| Resources Minus Expenditures | 203 | 16 | 175 |
| Health Services - Fund 395 | | | |
| Revenue | 3,500 | 3,500 | 3,500 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>1,909</u> | <u>766</u> | <u>1,456</u> |
| Resources | 5,409 | 4,266 | 4,956 |
| Operating Expenditures | 4,643 | 4,266 | 4,363 |
| Resources Minus Expenditures | 766 | 0 | 593 |
| Cable Communications - Fund 424 | | | |
| Revenue | 2,400 | 2,400 | 2,400 |
| Transfers In | | | |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>1,980</u> | <u>1,045</u> | <u>1,461</u> |
| Resources | 4,380 | 3,445 | 3,861 |
| Operating Expenditures | 1,621 | 1,664 | 2,115 |
| Transfers Out | | | |
| Transfers to Capital | <u>1,714</u> | <u>1,280</u> | <u>1,541</u> |
| Resources Minus Expenditures | 1,045 | 501 | 205 |

Appropriated Restricted Funds 2004 Budget Update

| (In \$000s) | 2003 Approved | 2004 Approved | 2004 Update |
|---|------------------|------------------|----------------|
| Metropolitan Sewer District - Fund 701 | | | |
| Revenue | 133,363 | 133,363 | 136,199 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>0</u> | <u>0</u> | <u>0</u> |
| Resources | 133,363 | 133,363 | 136,199 |
| Operating Expenditures | <u>129,460</u> | <u>134,934</u> | <u>136,450</u> |
| Resources Minus Expenditures | 3,903 | (1,571) | (251) |
| Transfers to Capital Reserves | 3,903 | (1,571) | 0 |
| Revenue Minus Expense & Transfers | 0 | 0 | (251) |
| Income Tax-Transit - Fund 759 | | | |
| Revenue | 36,427 | 37,878 | 38,375 |
| Prior Year Cancellations | | | |
| Prior Year Carryover | <u>3,616</u> | <u>3,607</u> | <u>3,273</u> |
| Resources | 40,043 | 41,485 | 41,648 |
| Operating Expenditures | 36,336 | 37,760 | 37,651 |
| Transfers to Capital | <u>100</u> | <u>100</u> | <u>100</u> |
| Resources Minus Expenditures | 3,607 | 3,625 | 3,897 |

City Staffing

A total of 6,506.9 full-time equivalent positions (FTE) are recommended in the 2004 Budget Update. The staffing level reflects an increase of 31.0 FTE over the previously approved 2004 budget and is primarily due to City Council-approved actions in 2003 as well as grant supported FTE within the restricted funds. After taking into consideration approved staffing changes and grants approved by the City Council, my recommended 2004 Budget Update staffing plan includes a net decrease of 2.9 FTE from the current complement of City staff. These planned changes in 2004 are the result of new revenue supported activities offset by operational efficiencies and are shown in Table XI. Table XII reflects FTE changes by department and is followed by a detailed description of changes by department.

Table XI: 2004 FTE CHANGES (CURRENTLY NOT APPROVED)

| Department | FTE Change | Comment |
|----------------------------------|------------|--|
| Water Works | 6.5 | Revenue Supported Butler County Service Expansion |
| Law | 1.0 | Revenue Supported Administrative Hearings |
| Community Development & Planning | (0.1) | Efficiency Reduction |
| Health | (0.4) | Efficiency Reduction |
| Buildings & Inspections | (1.0) | Efficiency Reduction |
| Human Resources | (2.0) | Elimination of the Municipal Investigations Function |
| Sewers | (2.5) | Efficiency Reduction |
| Public Services | (4.4) | Efficiency Reduction |
| Total | (2.9) | |

Table XII: 2004 STAFFING CHANGES BY DEPARTMENT

| | General Fund | | | Other Funds | | | All Funds | | |
|-------------------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|
| | 2004 Approved | 2004 Recomm | Recomm Change | 2004 Approved | 2004 Recomm | Recomm Change | 2004 Approved | 2004 Recomm | Recomm Change |
| City Council | 27.0 | 27.0 | | | | | 27.0 | 27.0 | |
| Office of the Mayor | 6.0 | 7.0 | 1.0 | | | | 6.0 | 7.0 | 1.0 |
| Clerk of Council | 7.0 | 7.0 | | | | | 7.0 | 7.0 | |
| City Manager | 15.0 | 19.0 | 4.0 | 4.0 | 5.0 | 1.0 | 19.0 | 24.0 | 5.0 |
| Buildings & Inspections | 101.1 | 100.1 | -1.0 | 0.9 | 0.9 | | 102.0 | 101.0 | -1.0 |
| Citizens' Complaint Authority | 9.7 | 9.7 | | | | | 9.7 | 9.7 | |
| Community Develop. & Planning | 51.1 | 47.0 | -4.1 | 36.1 | 36.5 | 0.4 | 87.2 | 83.5 | -3.7 |
| Enterprise Services | | | | 237.2 | 245.2 | 8.0 | 237.2 | 245.2 | 8.0 |
| Finance | 129.0 | 129.0 | | 50.0 | 55.0 | 5.0 | 179.0 | 184.0 | 5.0 |
| Fire | 853.6 | 853.6 | | | | | 853.6 | 853.6 | |
| Health | 347.4 | 347.0 | -0.4 | 187.1 | 198.5 | 11.4 | 534.5 | 545.5 | 11.0 |
| Human Resources | 31.2 | 29.2 | -2.0 | 6.0 | 3.0 | -3.0 | 37.2 | 32.2 | -5.0 |
| Law | 72.2 | 74.2 | 2.0 | 7.0 | 7.0 | | 79.2 | 81.2 | 2.0 |
| Parks | 90.5 | 104.3 | 13.8 | 44.8 | 50.4 | 5.6 | 135.3 | 154.7 | 19.4 |
| Police | 1,397.0 | 1,397.5 | 0.5 | | | | 1,397.0 | 1,397.5 | 0.5 |
| Public Services | 258.5 | 253.7 | -4.8 | 289.9 | 279.5 | -10.4 | 548.4 | 533.2 | -15.2 |
| Recreation | 347.2 | 348.2 | 1.0 | 106.5 | 106.5 | | 453.7 | 454.7 | 1.0 |
| Regional Computer Ctr. | | | | 201.0 | 200.0 | -1.0 | 201.0 | 200.0 | -1.0 |
| Sewers | | | | 724.0 | 721.5 | -2.5 | 724.0 | 721.5 | -2.5 |
| Transportation and Eng. | 86.0 | 86.0 | | 111.0 | 111.0 | | 197.0 | 197.0 | |
| Water Works | | | | 640.9 | 647.4 | 6.5 | 640.9 | 647.4 | 6.5 |
| TOTAL | 3,829.5 | 3,839.5 | 10.0 | 2,646.4 | 2,667.4 | 21.0 | 6,475.9 | 6,506.9 | 31.0 |

2004 STAFFING PLAN

Introduction

The Staffing Plan provides the number of full-time equivalent (FTE) positions funded in the recommended 2004 Operating Budget Update. It also provides explanations for changes included in the recommended 2004 Operating Budget Update compared to the 2004 Approved Budget. The use of full-time equivalents matches the hours of work to the budget. For example, a part-time position, which is funded for an employee to work 20 hours per week for one year, would be budgeted as 0.5 FTE.

Staffing Plan Explanation of Changes:

| | General Fund | Other Funds | All Funds |
|---------------------|--------------|-------------|-----------|
| Office of the Mayor | 1.0 | 0.0 | 1.0 |

The total recommended FTE for the Office of the Mayor is 7.0, which is 1.0 FTE more than the 2004 Approved Budget. This is a technical correction to reflect the current number of employees in the Mayor's Office. This increase is absorbed within the approved 2004 funding level.

| | General Fund | Other Funds | All Funds |
|--------------|--------------|-------------|-----------|
| City Manager | 4.0 | 1.0 | 5.0 |

The total recommended FTE for the Office of the City Manager is 24.0, which is 5.0 FTE more than the 2004 Approved Budget. The increase in the General Fund is due to the transfer of 3.0 FTE from the Community Development Department to establish the Economic Development Division and the addition of 1.0 FTE Managed Competition Coordinator position. The FTE increases in the General Fund are based on the City Council approved initiatives concerning economic development (Res. #0077-2003) and managed competition (Doc. #200206114). The increase in the other funds is due to the transfer of 1.0 FTE from the Regional Computer Center Fund 702 to the Cable Communications Fund 424 to perform City website maintenance related to the public relations function and office systems administration.

| | General Fund | Other Funds | All Funds |
|------------------------------------|--------------|-------------|-----------|
| Buildings & Inspections Department | (1.0) | 0.0 | (1.0) |

The total recommended FTE for the Buildings & Inspections Department is 101.0, which is 1.0 FTE less than the 2004 Approved Budget. In 2003, a 1.0 FTE Administrative Technician position and a 1.0 FTE Zoning Plan Examiner position were eliminated to establish a 1.0 FTE Administrative Specialist position.

| | General Fund | Other Funds | All Funds |
|------------------------------------|--------------|-------------|-----------|
| Community Development and Planning | (4.1) | 0.4 | (3.7) |

The total recommended FTE for the Department of Community Development and Planning is 83.5, which is 3.7 FTE less than the 2004 Approved Budget. The decrease of 4.1 FTE in the General Fund is due to the following:

- the transfer out of 1.0 FTE (Senior Development Officer) to the Law Department and 3.0 FTE (2.0 Senior Community Development Analysts and 1.0 Supervising Community Development Analyst) to the City Manager's Office to establish the Economic Development Division;
- the reduction of 0.1 FTE resulting from the elimination of a Municipal Worker position in the Workforce Development Division that was partially funded in the General Fund;
- the transfer out of 1.0 FTE (Senior Community Development Analyst) to the Recreation Department to administer the City's Arts Policy;
- the transfer in of 1.0 FTE from the Regional Computer Center to assist in implementing the City's Prompt Pay, Living Wage, and SBE programs;
- the transfer out of 1.0 FTE (Senior Administrative Specialist) from the General Fund 050 to the Workforce Investment Act Fund 464 to more accurately reflect the duties assigned to that position; and,
- the addition of 1.0 FTE for the establishment of the Chief Planner position per the Council budget motion (Document #200206113) dated December 18, 2002.

The net increase of 0.4 FTE in the other funds is due to the elimination of 0.6 FTE Municipal Worker position and the transfer in of 1.0 FTE (Senior Administrative Specialist) from the General Fund 050 to the Workforce Investment Act Fund 464 to more accurately reflect the duties assigned to that position.

| | General Fund | Other Funds | All Funds |
|----------------------------|---------------------|--------------------|------------------|
| Enterprise Services | 0.0 | 8.0 | 8.0 |

The Enterprise Services Department is comprised of three divisions: the Convention Center, the Fleet Services Division, and the Parking Facilities Division. The total recommended FTE for the Enterprise Services Department is 245.2, which is 8.0 FTE more than the 2004 Approved Budget. An increase of 9.0 FTE is recommended in the Parking Facilities Division representing the transfer in of 11.0 FTE parking maintenance staff from the Public Services Department Facility Management Division to the Parking Facilities Division and the elimination of a 1.0 FTE Parking Services Supervisor position and a 1.0 FTE Clerk Typist 3 position. This increase of 9.0 FTE in the Parking Facilities Division is offset by the elimination of 1.0 FTE Clerk Typist 2 in the Fleet Services Division due to operational improvements.

| | General Fund | Other Funds | All Funds |
|---------------------------|---------------------|--------------------|------------------|
| Finance Department | 0.0 | 5.0 | 5.0 |

The total recommended FTE for the Finance Department is 184.0, which is 5.0 FTE more than the 2004 Approved Budget. Of the additional 5.0 FTE, 3.0 were transferred to the Risk Management Division from the Human Resources Department (2.0 Senior Environmental/Safety Specialists and 1.0 Clerk Typist 3) and 1.0 was transferred over from the Health Department (Supervising Environmental/Safety Specialist) to consolidate the Employee Safety and Environmental Management programs. An additional 1.0 FTE (Supervising Environmental/Safety Specialist) reflects added employee safety efforts to achieve \$1.0 million per year in savings associated with the City becoming self-insured for Workers' Compensation. All five positions are in the Employee Safety Fund 212.

| | General Fund | Other Funds | All Funds |
|--------------------------|---------------------|--------------------|------------------|
| Health Department | (0.4) | 11.4 | 11.0 |

The total recommended FTE for the Health Department is 545.5, which is 11.0 FTE more than the 2004 Approved Budget. The continuation of the Health Education program in grant funds accounts for an additional 7.0 FTE. Five new grant funded FTE were approved during 2003 as follows: 2.0 Dental Assistants are funded through private grants; 1.0 Senior Environmental Specialist and 1.0 Public Health Nurse 2 are funded through the Bio-terrorism Grant; and 1.0 Public Health Nurse is funded through the Lead Grant. These increases are offset by a 1.0 FTE decrease due to a mid-year transfer out of 1.0 Supervising Environmental/Safety Specialist to the Finance Department to consolidate Employee Safety functions. A net 0.4 FTE was moved from the General Fund to other funds due to mid-year position transfers within the department.

| | General Fund | Other Funds | All Funds |
|-----------------------------------|---------------------|--------------------|------------------|
| Human Resources Department | (2.0) | (3.0) | (5.0) |

The total recommended FTE for the Human Resources Department is 32.2, which is 5.0 FTE less than the 2004 Approved Budget. The General Fund decrease of 2.0 FTE, which includes 1.0 Human Resource Analyst and 1.0 Investigator, is the result of the elimination of the Office of Municipal Investigations function within the Human Resources Department. In the other funds, there is a transfer out of 3.0 FTE Employee Safety Fund 212 positions (2.0 Senior Environmental/Safety Specialists and 1.0 Clerk Typist 3) from the Human Resources Department to the Division of Risk Management within the Finance Department.

| | General Fund | Other Funds | All Funds |
|-----------------------|---------------------|--------------------|------------------|
| Law Department | 2.0 | 0.0 | 2.0 |

The total recommended FTE for the Law Department is 81.2, which is 2.0 FTE more than the 2004 Approved Budget. The 2.0 FTE increase in the General Fund is due to the following changes: 1) the addition of a Clerk Typist 3 in the Office of Administrative Hearings which is necessary to process the increasing volume of litter control cases; and, 2) the addition of an Assistant City Solicitor to perform duties as assigned by the Economic Development Division within the Office of the City Manager. The addition of the Assistant City Solicitor is offset by a decrease of 1.0 FTE in the Community Development and Planning Department.

| | General Fund | Other Funds | All Funds |
|-------------------------|---------------------|--------------------|------------------|
| Parks Department | 13.8 | 5.6 | 19.4 |

The total recommended FTE for the Parks Department is 154.7, which is 19.4 FTE more than the 2004 Approved Budget. An increase of 13.8 FTE is recommended in the General Fund for the Nature Education Program which was eliminated in the 2004 Approved Budget and the resources were transferred to support basic park maintenance services. The recommended 2004 Operating Budget Update restores the Nature Education Program in the General Fund for an additional 13.8 FTE and

restores basic park maintenance services supported in the Income Tax-Infrastructure Fund 302, representing an additional 5.6 FTE.

| | General Fund | Other Funds | All Funds |
|--------------------------|---------------------|--------------------|------------------|
| Police Department | 0.5 | 0.0 | 0.5 |

The total recommended FTE for the Police Department is 1,397.5, which is 0.5 FTE more than the 2004 Approved Budget. The increase in the General Fund is due to the change of a Hostler position with the Mounted Patrol program from part-time status to full-time status during 2003.

| | General Fund | Other Funds | All Funds |
|-----------------------------------|---------------------|--------------------|------------------|
| Public Services Department | (4.8) | (10.4) | (15.2) |

The total recommended FTE for the Public Services Department is 533.3, which is 15.2 FTE less than the 2004 Approved Budget. The 4.8 FTE decrease in the General Fund is the net result of:

- the transfer of 5.0 FTE currently involved in infrastructure work activities to the Income Tax-Infrastructure Fund 302; and,
- the net increase of 0.2 FTE Municipal Worker to match actual current staffing levels.

In the other funds, the FTE decrease of 10.4 is a result of the following changes:

The transfer out of 11.0 FTE (1.0 Parking Services Supervisor, 1.0 Assistant Supervisor of Parking Services, 1.0 Electronics Technician 2, 1.0 Clerk Typist 3, 1.0 Traffic Aids Worker, and 6.0 Utility Laborers) to Enterprise Services to more closely align parking facility operations and parking facility maintenance activities within Enterprise Services.

The elimination of 2.4 FTE, which includes 2.0 FTE Automotive Street Cleaning Equipment Operators and 0.4 FTE Municipal Worker in Fund 301 based on funding constraints.

The transfer in of 5.0 FTE, which includes 1.0 FTE Heat Ventilation & Air Condition Specialist, 2.0 FTE Senior Architects, FTE 1.0 Principal Architect, and 1.0 FTE Senior Accountant to the Income Tax-Infrastructure Fund 302 from the General Fund 050 due to the additional funding capacity in Fund 302. The transfer in from the General Fund is offset by a net decrease of 2.0 FTE within Fund 302 based on operational requirements.

| | General Fund | Other Funds | All Funds |
|------------------------------|---------------------|--------------------|------------------|
| Recreation Department | 1.0 | 0.0 | 1.0 |

The total recommended FTE for the Recreation Department is 454.7, which is 1.0 FTE more than the 2004 Approved Budget. The increase in the General Fund is due to the transfer in of 1.0 Senior Community Development Analyst from the Department of Community Development and Planning to the Recreation Department to administer the City's Arts Policy.

| | General Fund | Other Funds | All Funds |
|---------------------------------|---------------------|--------------------|------------------|
| Regional Computer Center | 0.0 | (1.0) | (1.0) |

The total recommended FTE for the Regional Computer Center is 200.0, which is 1.0 FTE less than the 2004 Approved Budget. The 1.0 FTE net decrease is due to the following: 1) the transfer out of 1.0 FTE Administrative Specialist to the Department of Community Development and Planning to assist in implementing the City's Prompt Pay, Living Wage, and SBE programs; 2) the transfer out of 1.0 FTE Senior Computer Programmer Analyst for the purpose of website maintenance to the City Manager's Office; and, 3) the addition of 1.0 FTE Information Technology Assistant Manager to support the Cincinnati Area Geographical Information Systems Division.

| | General Fund | Other Funds | All Funds |
|--------------------------|---------------------|--------------------|------------------|
| Sewers Department | 0.0 | (2.5) | (2.5) |

The total recommended FTE for the Sewers Department is 721.5, which is 2.5 FTE less than the 2004 Approved Budget. A change from full-time status to part-time status in several positions reduced the FTE by 1.5. The deletion of an Information Technology Manager position reduced the FTE by an additional 1.0.

| | General Fund | Other Funds | All Funds |
|-------------------------------|---------------------|--------------------|------------------|
| Water Works Department | 0.0 | 6.5 | 6.5 |

The total recommended FTE for the Water Works Department is 647.4, which is 6.5 FTE more than the 2004 Approved Budget. The 6.5 FTE net increase is due to the addition of 7.0 FTE (5.0 Customer Relations Representative, 1.0 Administrative Specialist, and 1.0 Accounting Technician) for the planned Butler County service expansion, and is offset by a net decrease of 0.5 FTE due to various other changes.

Attachments:

- A. 2003 Budget Motion (Document # 200206113)
- B. Recycling and Yard Waste Programs Fact Sheet
- C. 2003 3rd Quarter Budget Action Item Report
- D. Economic Task Force Recommendations (Resolution # 0077-2003)
- E. Managed Competition Motion (Document # 200206114)

City of Cincinnati



Room 348, City Hall
801 Plum Street
Cincinnati, Ohio 45202
Phone (513) 352-5303
Fax (513) 352-4657
E-mail: john.cranley@rcc.org

John Cranley
Member of Council
City of Cincinnati

COMMITTEES

Finance
Chair

Law and Public Safety
Member

Neighborhood & Public Works
Member

200206113

December 16, 2002

Motion

WE MOVE that the Mayor's Budget be approved with the following changes:

WE MOVE that the Community Development Department be renamed the Community Development and Planning Department and that an employee of the City Manager's choosing be named the Chief Planner for the City of Cincinnati provided that the Chief Planner remain under the supervision of the Community Development and Planning Department Director.

WE MOVE that the Small Business Division be prioritized and oversee Contract Compliance (moved from the Purchasing Division), Prompt Pay and small business loans, etc.

General Fund

WE MOVE that the parking meter fund be used to restore NSP funding and the necessary administrative support in 2003 – 2004 and be extended indefinitely, and that the NSP contract be changed to allow for communities to use NSP funds to support off-duty police services in their neighborhood to enhance police visibility.

WE MOVE that \$25,000 from the Regional Marketing Partnership funding be allocated to the Visitors Bureau to support Multicultural Tourism Marketing.

WE MOVE that the "Cincinnati on the Move" marketing campaign for the City encouraging tourism that creates jobs and contributes to the local economy such as Tall Stacks (\$200,000 – already in Mayor's budget); Riverfront Football Classic (\$95,000 for 2003 and 2004 – 2003 already in Mayor's budget); and Multicultural Tourism Marketing (\$25,000 – see above) through the Convention Visitors Bureau.

WE MOVE that the following annual cuts be made to the General Fund valued at a total of \$271,594.00:

\$90,000 annually from the City's Department for the Elections Commission
\$20,000 annually for the Sister Cities Association
\$161,594 for the Computer Learning Lab

WE MOVE that the following additions from the \$271,594.00 in savings to the General Fund be made for a total of \$270,000.00:

- \$75,000 of the General Fund dollars be restored to the Citizens' Committee on Youth.
- \$25,000 Poison Information Program of Children's' Hospital Medical Center (to the extent possible, the Health Department will provide an additional \$50,000 to this service)
- \$30,000 Cincinnati Human Relations Commission (Monitors)
- \$100,000 annual operating grant to Main Street Ventures to match the \$100,000 grant of the Hamilton County Commission
- \$25,000 Greater Cincinnati Film Commission
- \$15,000 International Visitors Center

WE MOVE that the following changes be incorporated into the City Manager's Recommended Department of Community Development Human Services 2003-04 General Fund Operating Program Budget:

Reductions:

(\$50,000) Three Square Music Foundation
(31,450) Jobs for Cincinnati Graduates
(25,000) Adolescent Health Center
(20,000) Serving Older Adults Through Changing Times

(126,450) Total

Additions:

\$10,000 Inclusion Network, Inc.
20,000 Lighthouse Youth Services, Inc, Youth Development
16,450 Mercy Connections
15,000 Santa Maria Community Services
15,000 Mallory Center, Computer COP Program
10,000 Center for Comprehensive Alcoholism Treatment
10,000 Inner City Youth Opportunities
10,000 YWCA of Greater Cincinnati, Strong Girls/Healthy Girls
10,000 Talbert House, Halfway Houses
10,000 Free Store/Food Bank, Inc.

126,450 Total

WE MOVE that all Human Services program funding be conducted on an "outcome based funding" model such as the model used by the Greater Cincinnati United Way.

WE MOVE that all Human Services Agencies be funded through the same competitive process beginning in 2004.

WE MOVE that the Human Services Policy be allocated consistent with the priorities of Cincinnati City Council.

WE MOVE that all programs under CICA contracts funded by Workforce Investment Act and Department of Labor dollars not be renewed and those funds merged into the regional One-Stop Shop effort, competitively bid, or used in other ways as determined by the Workforce Policy Board:

- Community Wide Capacity Building Youth Offender Project (\$128,619)
- Youth Development Practitioner Apprenticeship Project (\$100,000)
- Special Dislocated Worker Grant for Ayava Communications (\$80,010)
- Staff Support and Accounting Services (\$1,019,414)

Community Development Block Grants

WE MOVE that \$3,267,280 million dollars in CDBG funds be reprogrammed for programs aimed at safety, blight removal, litter control and weed abatement in qualifying neighborhoods. Our most important priority has to be creating a cleaner and safer City. The Administration should work with Council to develop new programs in line with these priorities. **One million dollars** of these funds should be set aside to support a blighted property Receivership Program, matching community and private efforts to take back blighted properties. The City portion of the receivership process should be used to support the stabilization and renovation of strategic blighted buildings into residential and mixed-use opportunities.

The additional resources will come from redundant homeowner programs as well as a number of service agencies that do not provide direct services.

| Item | Estimated Savings | |
|-------------------------------------|--------------------|-------------|
| | 2003 | 2004 |
| Employment Initiatives Program | \$279,039 | \$279,039 |
| Van Pooling Service* | \$187,601 | \$187,601 |
| Housing Counseling Services | \$92,000 | \$92,000 |
| Homeowner Infill & Rehab Program | \$150,000 | \$150,000 |
| Neighborhood Revitalization Program | \$100,000 | \$100,000 |
| Homesteading | \$1,000,000 | \$1,000,000 |
| TOTAL | \$3,617,280 | |

* This service can be transitioned into Metro operations, which already spends \$167,200 to support the leasing of the vans, other operating costs, and some labor costs, and should be coordinated with the workforce policy board's priorities. Metro has expressed a willingness to consider operating this program.

WE MOVE that \$50,000 in CDBG funds be set aside for both 2003 and 2004 for financial literacy and EITC Outreach efforts, as approved by City Council in a unanimous motion.

WE MOVE that \$100,000 in CDBG funds be set aside for both 2003 and 2004 to support a Drughouse Shutdown Initiative – a joint police, building & inspections, legal and other department efforts to target, shut down or abate nuisance properties that serve as the source illegal drug activity.

WE MOVE that \$125,000 in CDBG funds be spent in both 2003 and 2004 to support the renovation of the Central Clinic, an eighty year old community mental health clinic in Avondale that serves over 50,000 persons yearly, including children and the homeless, the majority of whom live in the City, and ninety-five percent of whom are under the federal poverty line.

WE MOVE that \$75,000 of CDBG funds be set aside for a neighborhood pride center on Burnet Ave. to deal with crime and litter.

WE MOVE that the following CICA contracts be competitively bid:

- Job Training and Litter Control Program (projected \$253,000 under 2003 CDBG budget)
- Any other contracts (not addressed elsewhere in this Motion) where CICA provides direct services to the City

Anthem

WE MOVE that \$1 Million in Anthem Funds be used each of the next two years to create a Safe and Clean Neighborhood Fund. This Fund will be used to provide matching support for citizen- and community-led initiatives to improve safety in neighborhoods through the problem-solving approach, and to add police visibility in neighborhoods. A more detailed summary is attached.

WE MOVE that the annual Capital Arts Allocation be \$2.2 Million for 2003 and 2004, respectively, and include \$20,000 annually for the capital budget for the Arts Consortium.

WE MOVE that \$15 Million of the Neighborhood Reserve Fund be allocated to the \$100 Million Revolving Loan Fund for market rate residential housing program consistent with a forthcoming Memorandum of Understanding with Local Banks who will commit \$85 Million.


WE MOVE that the recommended \$13.8 Million for the Recreation Department rehabilitation recommendations not come from Anthem funds but instead come from the \$7 Million Over-the-Rhine Facility and savings from Managed Competition.

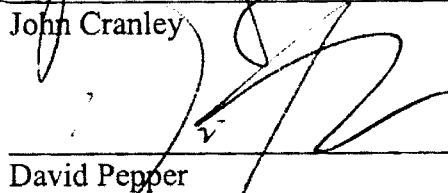
WE MOVE that the \$13.8 Million previously allocated for the Recreation Center rehabilitation recommendations and the \$8.5 Million left in the Neighborhood Reserve Fund (\$22.3 Million total) not be spent to support a project unless Council agrees and the project includes a significant (ideally, a 3-1) match of private and/or public investment, and that it, 1) creates economic development and growth in City neighborhoods *or* 2) supports a capital neighborhood project that would enhance the Cincinnati Public School Master Facilities Plan.

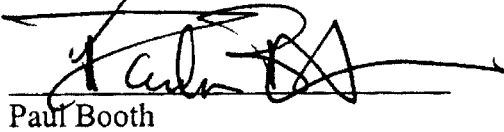
WE MOVE \$1 Million of the \$4 Million neighborhood Market Rate Fund of the Anthem Money be reserved for potential mixed-income capital redevelopment projects for Huntington Meadows and/or the implementation of the Seymour Rd./Bond Hill/Roselawn Redevelopment Plan.

Capital Budget

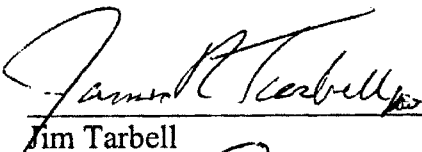
WE MOVE that the \$7.0 million for the new Over-the-Rhine facility be eliminated and be reprogrammed to meet the Recreation Department's request for rehabilitating existing recreation centers.

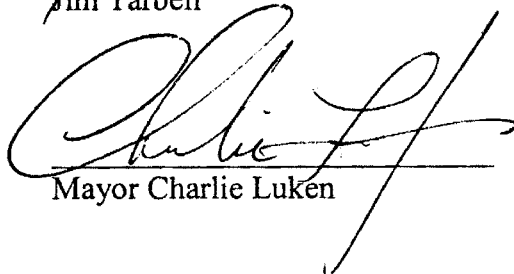

John Cranley

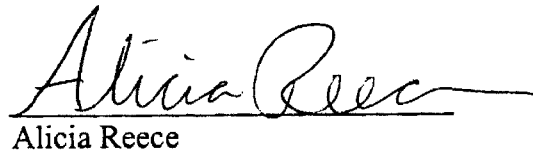

David Pepper

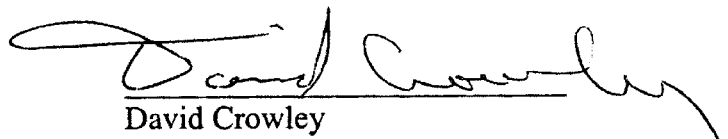

Paul Booth


Pat DeWine


Jim Tarbell


Mayor Charlie Luken


Alicia Reece


David Crowley


Minette Cooper


Chris Monzel

City of Cincinnati



*Interdepartmental
Correspondence Sheet*

Date: Friday, October 24, 2003

To: Ms. Valerie Lemmie, City Manager

From: Daryl B. Brock, Director of Public Services

Copies to: T. Riordan, R. Young, D. Holston, W. Moller, C. Sigman, D. Meyer, K. Graham, K. Lucas, File

Subject: **FACT SHEET ON RECYCLING AND YARD WASTE PROGRAMS**

Per your request, you will find the attached fact sheet for the Department of Public Services Recycling and Yard Waste programs. In the event you have any questions, please feel free to contact my office on line 5485.

Thank you.

Fact Sheet on Recycling and Yard Waste Programs

(Costs and tonnages are current year approximations)

| Item | Recycling Program | Yard Waste Program | Solid Waste Collection & Disposal |
|--|---|--|---|
| Service Type | Weekly curbside collection and four drop-off sites | Weekly curbside collection; call-for-service in winter | Weekly curbside collection; includes separate collection of bulky items & tires |
| Service Provider | <i>Contract:</i> Rumpke (Includes collection, processing and marketing) | <i>In-house:</i> Collection service by Public Services, NOD <i>Contracts:</i> Composting service by Evans, Rumpke, and Bzak | <i>In-house:</i> Collection service by Public Services, NOD <i>Contracts:</i> Landfill disposal service by Rumpke (95%) and CSI/ Republic (5%) |
| Quantities Collected | 12,000 tons/year | 10,000 tons/year | 115,000 tons/year |
| Program Cost Budget | \$2.1 million/year | \$810,000/year | \$9.7 million/year |
| Avoided Collection Cost (2 crews) | \$255,000/year | \$255,000/year | N/A |
| Avoided Disposal Cost (tip fees @ \$23/ton) | \$276,000/year | \$230,000/year | N/A |
| Lost Solid Waste District Recycling Incentive Revenues | \$320,000/year | N/A | N/A |
| Est. Net Cost | \$1.249 million/year | \$325,000/year | \$9.7 million/year |
| Net Cost per Ton | \$104* | \$32.50 | \$84.52 |
| Net Cost per Account per Month @ 127,000 Accounts | \$.82 | \$.21 | \$6.37 |

* See next page for information about reduced cost alternatives under consideration

Recycling Program Service/Cost Alternatives

- Procurement underway (results expected in December) to get actual costs for alternative methods of recycling; i.e., less frequent collection and different mix of materials.
Potential for savings of 20%-40% if less frequent collection approach were to be chosen:

(Amounts below are approximations.)

| | Current Program | Every other Week Collection (20% - 30% Savings) | Monthly Collection (30% - 40% Savings) |
|--|------------------------|--|---|
| Est. Contract Cost | \$2.1 million | \$1.470 - \$1.68 million | \$1.26 - \$1.47 million |
| Avoided Collection Costs | \$255,000 | \$255,000 | \$255,000 |
| Avoided Disposal Costs | \$276,000 | \$241,500 | \$241,500 |
| Solid Waste District Recycling Incentive Revenues | \$320,000 | \$262,500 | \$262,500 |
| Net Program Cost | \$1.249 million | \$711,000 - \$921,000 | \$501,000 - \$711,000 |
| Net Cost/Ton | \$104 | \$59 - \$77 | \$42 - \$59 |
| Net Cost Per Account per Month @ 127,000 Accounts | \$.82 | \$.47-\$.60 | \$.33-\$.47 |

NOTE:

The above cost comparison does not include the capital investment of approximately \$2.8 million to buy larger recycling containers (90-gallon wheeled carts) to accommodate a less frequent collection service. Return on that investment is estimated to be 3 – 6 years; the carts have 10-year useful lives.

Additional Solid Waste Management Information

- Rumpke Landfill Remaining Capacity: Currently, less than 2 years, @ 2002 waste intake rate of approximately 1.9 million tons. Two planned expansions could add 12-15 years.
- Recycling and yard waste programs, combined, divert approximately 20,000 tons from the landfill each year. Approx. every five years creates another year of disposal capacity for the City's waste.
- Diversion intended to postpone more costly future waste disposal alternatives:

| | <u>Cost/ton</u> | <u>Total/year, @ 115,000 tons</u> |
|--|-----------------|-----------------------------------|
| Current landfill disposal cost: | \$23 | \$2.6 million |
| Transfer station disposal cost: (Includes hauling and disposal) | \$30-\$40 | \$3.5 - \$4.6 million |
| Waste-to-energy facility: | \$50-\$75 | \$5.8 – \$8.6 million |

- Comparison of recycling contract pricing for Cincinnati and other cities:

| <u>City</u> | <u>Cost/HH/Mo</u> | <u># HH</u> | <u>Frequency</u> |
|--------------------------|-------------------|-------------|------------------|
| Pittsburgh | \$0.83 | 120,000 | Every-other-week |
| S.E. Pub. Svcs.Auth., VA | \$1.21 | 150,000 | Every-other-week |
| Cincinnati | \$1.38 | 127,000 | Weekly |
| Kalamazoo, MI | \$1.39 | 29,413 | Weekly |
| Richmond, Va | \$1.41 | 62,921 | Weekly |
| Cambridge, MA | \$1.44 | 42,615 | Weekly |
| Oklahoma City | \$1.60 | 144,000 | Weekly |
| Amberly Village, OH | \$2.00 | 1,338 | Weekly |
| Martin County, FL | \$2.15 | 55,288 | Weekly |
| Norwood, OH | \$2.25 | 9,270 | Weekly |
| Charlotte, NC | \$2.50 | 215,449 | Weekly |
| Ann Arbor, MI | \$2.62 | 18,365 | Weekly |
| Montgomery County, MD | \$3.55 | 324,565 | Weekly |


City of Cincinnati



November 26, 2003

For Your Information Memo

To: Mayor and Members of City Council

From: Valerie A. Lemmie, City Manager 

Copies to: D. Holston, T. Riordan, R. Young

Subject: **2003-2004 Budget Action Items - Third Quarter Summary**

A summary of the fifty-three 2003-2004 Budget Action Items is enclosed for your information. Twenty-nine action items were completed as of September 30, 2003. A number of the items which address managed competition issues are considered ongoing projects and status reports are being forwarded to the City Council quarterly. Additionally, some of the managed competition projects will continue throughout 2004. Attached to this transmittal memo is a summary document depicting the completion status and due dates of the action items. We will continue to regularly review the action items during my weekly directors' meeting.

Attachment

CC: William E. Moller 

2003-2004 BUDGET ACTION ITEMS SUMMARY
As of September 30, 2003

| Action Item | June Status | September Status | Due Date |
|---|------------------------|-----------------------------|-----------------|
| 1 Eliminate vacant unfunded positions. | Completed | Completed | 1/03 |
| 2 Complete the transition process of filled positions eliminated in the 2003 budget. | Completed | Completed | 3/03 |
| 3 Implement the prompt pay ordinance. | Completed | Completed | 3/03 |
| 4 Implementation of the living wage ordinance. | Completed | Completed | 3/03 |
| 5 Use of Neighborhood Support Program (NSP) funding to support off-duty police services in neighborhoods. | Completed | Completed | 3/03 |
| 6 Continue Recycling and Yard Waste programs in 2004. | In process | In process | 12/03 |
| 7 Transfer funding to the Recycling and Yard Waste programs in 2003. | Completed | Completed | 5/03 |
| 8 Continue Nature Education Program in 2004. | In process | Completed | 10/03 |
| 9 Continue Health Education Program in 2004. | In process | Completed | 10/03 |
| 10 Modify Human Services program funding. | In process | In process | 12/04 |
| 11 Revise the allocation of Human Policy resources. | In process | In process | 12/04 |
| 12 Save \$3.0 million in the operating budget in 2003. | Identified | Completed | 8/03 |
| 13 Save \$3.1 million in the operating budget in 2004. | In process | In process | 8/04 |
| 14 Redirect CICA program funds. | In process | In process | 12/03 |
| 15 Anthem proceeds to create a Safe and Clean Neighborhood Fund. | Completed | Completed | 6/03 |
| 16 Establish motor vehicle accident billing. | In process | Completed | 8/03 |
| 17 Increase in Police Officers. | In process | In process | 8/03 |
| 18 Develop outcome-based performance measures. | In process | In process | 6/03 |
| 19 Department business plans and performance contracts. | In process | In process | 12/04 |
| 20 Performance measurement, managed competition, and service contractor accountability. | Completed | Completed | 5/03 |

2003-2004 BUDGET ACTION ITEMS SUMMARY
As of September 30, 2003

| Action Item | June Status | September Status | Due Date |
|---|------------------------|-----------------------------|-----------------|
| 21 To hire a Chief Planner. | In process | Completed | 5/03 |
| 22 Transition Employee Safety functions to Risk Management. | Completed | Completed | 3/03 |
| 23 Transition Environmental Compliance and Environmental Planning functions to Risk Management. | Completed | Completed | 3/03 |
| 24 Reclassify Deputy City Manager position. | Completed | Completed | 2/03 |
| 25 To hire an Economic Development Director and staff. | In process | In process | 8/03 |
| 26 Transition Office of Administrative Hearings to the Law | Completed | Completed | 3/03 |
| 27 Analysis of Public Services management. | In process | In process | 9/03 |
| 28 Transition Equal Employment Opportunity Commission (EEOC) functions and non-uniform employee investigations. | Completed | Completed | 3/03 |
| 29 Reorganization of Community Development and Planning. | Completed | Completed | 2/03 |
| 30 Finalize Small Business Enterprise/Minority Business Enterprise (SBE/MBE) program. | Completed | Completed | 6/03 |
| 31 Anthem Arts set aside of \$2.2 million for both 2003 and 2004. | Completed | Completed | 1/03 |
| 32 Anthem allocation of \$15 million to the \$100 million Cincinnati Housing Development Revolving Loan Fund. | Completed | Completed | 10/03 |
| 33 Funding for the Recreation Department facility rehabilitation project should be redirected from the \$7 million Over-the-Rhine Facility and savings from Managed Competition by the end of 2004. | Completed | Completed | 10/03 |
| 34 Council approval needed for Anthem funded Neighborhood Reserve Fund recommendations. | In process | In process | Ongoing |
| 35 Reserve \$1 million of the Anthem funded \$4 million Neighborhood Market Rate Fund. | In process | In process | 5/03 |
| 36 Issue \$43 million in bonds for 2003 General Capital projects. | Completed | Completed | 5/03 |

2003-2004 BUDGET ACTION ITEMS SUMMARY
As of September 30, 2003

| Action Item | June Status | September Status | Due Date |
|--|--------------------|-------------------------|-----------------|
| 37 To develop initiatives in Cincinnati neighborhoods including housing, economic development, and infrastructure improvements for the use of the Anthem funded Neighborhood Investment Reserve funds. | In process | In process | Ongoing |
| 38 Evaluate the Parking Facilities Fund. | In process | In process | 6/03 |
| 39 Save \$500,000 in capital resources in 2003. | Identified | Completed | 6/03 |
| 40 Issue Bonds for Water Works capital projects | Completed | Completed | 4/03 |
| 41 Create cleaner and safer City programs. | In process | In process | 1/04 |
| 42 To set aside \$50,000 for financial literacy and Earned Income Tax Credit (EITC) Outreach efforts. | Completed | Completed | 3/03 |
| 43 To set aside \$100,000 to support a Drughouse Shutdown Initiative. | In process | In process | Ongoing |
| 44 Facilitate the elimination of drugs in various rental properties. | Completed | Completed | 5/03 |
| 45 Support the renovation of the Central Health Clinic. | In process | In process | 6/03 |
| 46 Create a neighborhood pride center to deal with crime and litter. | In process | In process | 7/03 |
| 47 Institute redevelopment projects in Neighborhood Revitalization Strategy Areas (NRSA) and City Redevelopment Focus Districts. | In process | In process | Ongoing |
| 48 Additional development resources totaling \$30 million. | Completed | In process | 12/03 |
| 49 Fully implement managed competition. | In process | In process | 8/03 |
| 50 To hire a Managed Competition Czar. | In process | Completed | 6/03 |
| 51 Process to issue Request for Proposals (RFPs) for managed competition. | In process | In process | Ongoing |
| 52 Managed competition process for services identified in the consultant's report dated September 13, 2002. | In process | In process | Ongoing |
| 53 Managed competition process for street sweeping, operation of the Convention Center, fuel management, and computing and telecommunications. | In process | In process | Ongoing |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE (BUDGET & EVALUATION) | | | |
|--|--|------------------------|--|
| ACTION ITEM 1 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Eliminate vacant unfunded positions. | To complete the process of eliminating 113.2 vacant positions from the departments' table of organization. | January 15, 2003 | To insure that expenditures are balanced to resources in current and future years. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Eliminate positions from the Table of Organization system. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner | Reported First Quarter | Completed. All 113.2 vacant unfunded positions were eliminated from the Table of Organizations. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: HUMAN RESOURCES, FINANCE | | | |
|---|---|------------------------|--|
| ACTION ITEM 2 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Complete the transition process of filled positions eliminated in the 2003 budget. | To complete the transition process for the 47.5 filled positions eliminated in the budget approved by the City Council. The incumbents will be transitioned to vacant funded positions or laid off. | March 1, 2003 | To insure that expenditures are balanced to resources in current and future years. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Identify position numbers and incumbents filling 47.5 positions to be eliminated. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner | Reported First Quarter | Completed. |
| 2 Identify where funded vacancies exist which can be filled by displaced incumbents. | Human Resources Director Rodney Prince | Reported First Quarter | Completed. |
| 3 Transition incumbents into funded vacancies and notify incumbents not being placed within the organization. | Human Resources Director Rodney Prince | Reported First Quarter | Completed. |
| 4 Eliminate 47.5 unfunded positions from the table of organization after the incumbents have been transitioned. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner | Reported First Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING (SMALL BUSINESS DIVISION) | | | |
|---|--|------------------------|--|
| ACTION ITEM 3 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Implement the prompt pay ordinance. | To develop policies and procedures for the implementation of the prompt pay ordinance. | March, 2003 | To ensure that timely payments are made to contractors and subcontractors in accordance with Chapter 319 of the Cincinnati Municipal Code. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop policies and procedures which allow for timely payments to City contractors and subcontractors. | Community Development and Planning Director Peg Moertl | Reported First Quarter | Completed. Prompt pay policies and procedures were disseminated to Department Directors and Division Heads, and are posted on the City's intranet site in Chapter 319 of the Cincinnati Municipal Code. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING (SMALL BUSINESS DIVISION) | | | |
|---|---|------------------------|--|
| ACTION ITEM 4 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Implementation of the living wage ordinance. | To develop policies and procedures for the implementation of the living wage ordinance. | March, 2003 | To ensure that contractors and subcontractors pay a living wage to covered employees for Service Contracts with the City in the amount equal to or greater than \$20,000, in accordance with Chapter 317 of the Cincinnati Municipal Code. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop policies and procedures which establish criteria for the payment of a living wage to covered employees. | Community Development and Planning Director Peg Moertl | Reported First Quarter | Completed. Living Wage policies and procedures were disseminated to Department Directors and Division Heads, and are posted on the City's intranet site in Chapter 317 of the Cincinnati Municipal Code. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|--|------------------------|--|
| ACTION ITEM 5 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Use of Neighborhood Support Program (NSP) funding to support off-duty police services in neighborhoods. | To revise the contract to permit communities to use NSP funding to support off-duty police services in the neighborhoods to enhance police visibility. | March, 2003 | To improve safety in City neighborhoods by increasing police visibility. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Revise NSP guidelines. | Community Development and Planning Director Peg Moertl | Reported First Quarter | Completed. |
| 2 Notify Community Councils of changes. | Community Development and Planning Director Peg Moertl | Reported First Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: PUBLIC SERVICES/FINANCE | | | |
|--|--|-------------------------|--|
| ACTION ITEM 6 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Continue Recycling and Yard Waste programs in 2004. | The 2003-2004 Operating Budget approved by the City Council includes 2003 funding for the Recycling and Yard Waste programs. The City Council has directed the administration to identify resources to continue the Recycling and Yard Waste programs in 2004. | October, 2003 | To improve the safety and cleanliness of our City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Identify budget resources by prioritizing City service expenditures during the budget development process. | Executive Budget Committee, Budget Manager Christian Sigman, Manager of Competitive Services Michele Kidd | Reported Second Quarter | Per City Council's motion #200206114, the first \$2 million in savings from managed competition efforts will go to the Recycling and Yard Waste Program. See actions 1- A and 1-B below. |
| A. Implement the managed competition process and develop RFPs. | Public Services Director Daryl Brock, Assistant City Manager Tim Riordan, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | The City recommended mechanical street sweeping awards to Contract Sweepers, Inc. and the City Employee Team in the amounts of \$491,110 and \$602,610, respectively, for year 1 of a three year contract. The service review for solid waste, recycling and yard waste has begun and a contract is planned by the end of 2003. |
| B. Identify budget resources from the managed competition process. | Public Services Director Daryl Brock, Assistant City Manager Tim Riordan, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | The estimated savings resulting from the managed competition process for mechanical sweeping is about \$898,500 for five years. Expected savings for the first 12 months of this process is \$270,000 and will begin accumulating in the third quarter of 2003. These savings will be returned to the Stormwater Management Utility Fund 107 where they are being generated, and are not available for other uses. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: PUBLIC SERVICES/FINANCE | | | |
|--|--|------------------------|--|
| ACTION ITEM 6 CONTINUED | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Continue Recycling and Yard Waste programs in 2004. | The 2003-2004 Operating Budget approved by the City Council includes 2003 funding for the Recycling and Yard Waste programs. The City Council has directed the administration to identify resources to continue the Recycling and Yard Waste programs in 2004. | October, 2003 | To improve the safety and cleanliness of our City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1B Identify budget resources from the managed competition process. | Public Services Director Daryl Brock, Assistant City Manager Tim Riordan, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Third Quarter | Savings will not be sufficient to fund Recycling in 2004. The Yard Waste Program is being reinstated in 2004 in the amount of \$552,000. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 7 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Transfer funding to the Recycling and Yard Waste programs in 2003. | To transfer \$970,000 from the Workers' Compensation Reserve to the Recycling and Yard Waste Programs. | March, 2003 | To improve the safety and cleanliness of our City neighborhoods. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare an ordinance request. | Acting Budget Manager, Francis Wagner | Reported Second Quarter | Completed. |
| 2 Complete the ordinance. | City Solicitor J. Rita McNeil | Reported Second Quarter | Completed. |
| 3 Prepare ordinance report to City Council for approval. | Budget Manager Christian Sigman | Reported Second Quarter | Completed. Transfer ordinance #20030167 was approved June 4, 2003 for the Recycling and Yard Waste programs. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: | | PARKS/FINANCE | |
|--|---|---|---|
| ACTION ITEM 8 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Continue Nature Education Program in 2004. | The 2003-2004 Operating Budget approved by the City Council includes 2003 funding for the Nature Education Program. The City Council has directed the administration to identify budget resources to continue the Nature Education Program in 2004. | October, 2003 | To educate our City's youth population by maintaining nature education programs. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Conduct budget and evaluation analysis for the Parks Department. Identify budget resources by prioritizing City service expenditures during the Budget Update process. | Parks Director Willie Carden, Finance Director Bill Moller, Budget Manager Christian Sigman | Reported Second Quarter Reported Third Quarter | <p>The Park Board has developed a PowerPoint Presentation that will be shared with the Cincinnati Public Schools (CPS) in an effort to leverage \$50,000 a year for the Nature Education Program. The Park Board is also negotiating a new lease option regarding the Gibson House Property with the University of Cincinnati that could bring up to \$25,000 a year in additional revenue to the Park Board. Other funding sources are being considered.</p> <p>Completed. The recommended 2004 Budget Update includes continuation funding for the Nature Education Program.</p> |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: HEALTH/FINANCE | | | |
|---|---|------------------------|--|
| ACTION ITEM 9 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Continue Health Education Program in 2004. | The 2003-2004 Operating Budget approved by the City Council includes 2003 funding for the Health Education Program. The City Council has directed the administration to identify budget resources to continue the Health Education Program in 2004. | October, 2003 | To educate our City's youth population by maintaining health education programs. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Conduct budget and evaluation analysis for the Health Department budget. Identify budget resources by prioritizing City service expenditures during the 2004 Budget Update process. | Health Commissioner Malcolm Adcock, Finance Director Bill Moller, Budget Manager Christian Sigman | Reported Third Quarter | Completed. The Health Department's 2004 budget recommendation includes \$323,670 and 7.0 FTE from the Public Health Research Fund 350 for the continuation of the Health Education Program. The 2003 General Fund 050 budget for the program is \$556,949 (not including benefits) and 11.0 FTE. The 2004 budget request is a reduction of \$233,279 and 4 FTE from the 2003 budget and will reduce the level of outreach prevention activities. The budget recommendation also includes continued reductions in program staff size over the next biennial budget process until the program can be fully supported through the Health Research Fund 350 without continued reductions in the fund balance. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING/FINANCE (INTERNAL AUDIT) | | | |
|--|---|------------------------|--|
| ACTION ITEM 10 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Develop and implement a different Human Services grant program funding approach based on the United Way Logic Model | To continue to conduct Human Services program funding as a competitive process and utilize a different "outcome-based funding" model. | December, 2004 | To ensure that City program funding is allocated competitively and that services provided can be measured based on outcomes. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop new/revised application guidelines. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | December 31, 2003 | In process. Revising current application guidelines to prepare for transition to new funding approach. |
| 2 Notify agencies of changes to the City's application guidelines. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | February 27, 2004 | In process. Completion is contingent upon development and approval of new/revised application guidelines. |
| 3 Train Human Services Division staff, contractors, and Human Services Advisory Committee members and applicants regarding new funding approach. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | December 31, 2004 | In process. Logic Model trainer has been identified and services have been negotiated. An agreement is being prepare. |
| 4 Develop new/revised contract materials based on the new funding approach | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | December 31, 2004 | Work with Logic Model trainer to prepare all appropriate materials to support transition to new model. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING/FINANCE (INTERNAL AUDIT) | | | |
|--|---|-------------------------------|---|
| ACTION ITEM 10 CONTINUED | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Develop and implement a different Human Services grant program funding approach based on the United Way Logic Model | To continue to conduct Human Services program funding as a competitive process and utilize a different "outcome-based funding" model. | December, 2004 | To ensure that City program funding is allocated competitively and that services provided can be measured based on outcomes. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 5 Select and work with consultant to identify and develop management information system to support new funding approach. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | November 2003 - November 2004 | In process. Initial meetings have been held. |
| 6 Conduct grant application review process and make recommendations in accordance with the outcome-based funding criteria. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong, Internal Audit Manager Mark Ashworth | January 30, 2006 | Logic Model outcome-based funding criteria will be fully utilized as part of the Year 2006 Grant program application process. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|---|------------------------|---|
| ACTION ITEM 11 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Revise the allocation of Human Policy resources. | To allocate Human Policy resources consistent with "outcome-based funding" and the priorities of Cincinnati City Council. | December, 2004 | To ensure that City program funding is allocated competitively and that services can be measured based on outcomes. <i>Revised completion date is December, 2004.</i> |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop new/revised application guidelines to incorporate City Council adopted priorities. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | January 30, 2004 | In process. |
| 2 Notify agencies of changes to application guidelines. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | February 28, 2004 | In process. |
| 3 Complete the review of funding proposals and make recommendations in accordance with outcome-based funding criteria. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | August 1, 2004 | Estimated completion date: August, 2004. Outcome-based funding criteria will be developed to support new/revised application guidelines. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: ALL CITY DEPARTMENTS/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 12 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Save \$3.0 million in the operating budget in 2003. | To save \$3.0 million in the operating budget in 2003 as reported in the General Fund six-year forecast. | December 17, 2003 | To ensure that expenditures are balanced to resources in current and future years. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop Budget Reduction process and conduct analysis to identify savings in the operating budget. | All City departments with assistance from the Finance Department, Budget Manager Christian Sigman | Reported Second Quarter | Budget reduction plan instructions were distributed in May to save 1.5% of departments' 2003 General Fund budget appropriation. Savings of \$3.1 million were identified. The reduction plan has been approved by the City Manager. Departments have been notified of the requirement to meet their savings target. |
| | | Reported Third Quarter | Completed. 2003 General Fund savings have been adjusted to \$3.5 million. This represents an increase of \$400,000 over the \$3.1 million amount previously reported. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: ALL CITY DEPARTMENTS/FINANCE | | | |
|--|--|-----------------|--|
| ACTION ITEM 13 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Save \$3.1 million in the operating budget in 2004. | To save \$3.1 million in the operating budget in 2004 as reported in the General Fund six-year forecast. | December, 2004 | To ensure that expenditures are balanced to resources in current and future years. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Identify the estimated savings amount for each department. | All City departments with the assistance from the Finance Department, Budget Manager Christian Sigman | August, 2004 | To be conducted in 2004. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|--|-------------------------|--|
| ACTION ITEM 14 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Redirect Cincinnati Institute for Career Alternatives (CICA) program funding. | To ensure that all programs under CICA contracts funded by Workforce Investment Act and Department of Labor funding will not be renewed and that the funding be merged into the regional One-Stop Shop effort for competitive bidding, or used in other ways as determined by the Workforce Policy Board. The Job Training and Litter Control Program (projected \$253,000 for 2003 CDBG budget) should be competitively bid, and all other contracts where CICA provides direct services to the City should be competitively bid unless exempted by the City Council. | December, 2003 | To ensure that City program funding is allocated competitively and that services can be measured based on outcomes. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 RFP to be issued to bid various services. | Community Development and Planning Director Peg Moertl, Supervising Community Development Analyst Susan Paddock | Reported Second Quarter | In process; RFPs have been issued on any City contracts that were with CICA in 2002. |
| 2 Selection of vendor, contract negotiation, and contract execution. | Community Development and Planning Director Assistant Director Toni Selvey-Maddox, Supervising Community Development Analyst Annette Armstrong | December 31, 2003 | Some contracts have been executed with entities other than CICA. The Department of Community Development and Planning is awaiting further direction on Federal Programs from the Workforce Policy Board. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|--|------------------------|---|
| ACTION ITEM 14 CONTINUED: | | | |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 2 Selection of vendor, contract negotiation, and contract execution. | Community Development and Planning Assistant Director Toni Selvey-Maddox, Supervising Community Development Analyst Annette Armstrong | December 31, 2003 | CICA's long-term contractual relationship with the City ended September 30, 2003. The Department of Community Development and Planning is negotiating a contract with Hamilton County to assume most functions formerly performed by CICA under CICA's expired administrative contract. Certain other former CICA functions will transfer directly to the Workforce Policy Board. All other Workforce Development contracts are being competed. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER | | | |
|--|--|-------------------------|---|
| ACTION ITEM 15 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Anthem proceeds to create a Safe and Clean Neighborhood Fund. | To use \$1.0 million in Anthem proceeds in both 2003 and 2004 to create a Safe and Clean Neighborhood Fund. This fund will be used to provide matching support for citizen and community-led initiatives to improve safety in neighborhoods through the problem-solving approach, and to add police visibility in neighborhoods. | August, 2003 | To improve the safety and cleanliness of City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare guidelines for the use of Anthem funds including matching requirements. Establish a development committee to advise on the use of funds. | City Manager Valerie Lemmie, Assistant City Manager Rashad Young, Development Committee | Reported Second Quarter | Completed. Council motion establishing guidelines (Council Document #200306631) adopted by City Council 4/23/03. The Safe and Clean Neighborhood Advisory Committee has been established. |
| 2 Select proposals and submit to City Council for approval. | Fund Advisory Committee | Reported Second Quarter | Completed. Ordinance #200307061 was passed by City Council authorizing the City Manager to execute any necessary and proper documents to extend Safe and Clean Neighborhood Fund pilot program grants to Northside Business, OTR Chamber of Commerce, Camp Washington Community Council, Prospect Hill Neighborhood Association and 800-block Dayton Street West End. The Safe and Clean Neighborhood Program is budgeted for the 2003-2004 biennium and other grants are expected to be awarded during this period. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FIRE/POLICE/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 16 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Establish motor vehicle accident billing. | To increase General Fund revenue an estimated \$900,000 by billing insurance companies for Fire Department response to auto accidents. | December, 2003 | To insure that expenditures are balanced to resources in current and future years. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare Request for Information (RFI) for Vendors. | Fire Chief Robert Wright | Reported Second Quarter | Completed. RFI issued Feb. 18, 2003. |
| 2 Prepare and send Request for Proposal (RFP). | Fire Chief Robert Wright | Reported Second Quarter | RFP was prepared and issued by the Fire Department. |
| 3 Choose vendor. | Motor Vehicle Accident Committee | Reported Second Quarter | The Requests for Proposals were reviewed. A potential vendor has been selected for an interview and a decision is expected in August. Several submissions were disqualified from the selection process for not having the proper documentation. Those vendors were notified of their disqualification. |
| | | Reported Third Quarter | Completed. The motor vehicle accident billing process has been established. An ordinance (Doc. #200307515) was passed by the City Council on 11/5/03 authorizing the City Manager to bill insurance companies for Fire Department responses to motor vehicle accidents, to set billing rates and billing policy, and to enter into an Agreement with HealthServe, LLC, to provide billing and collection services. It is unlikely that the 2003 revenue projection will be reached. Conservative revenue estimates for 2004 and 2005 are \$300,000 and \$600,000 respectively. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: POLICE/HUMAN RESOURCES | | | |
|---|---|------------------------------------|---|
| ACTION ITEM 17 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Increase in Police Officers. | To increase the complement of Police Officers by 45 in 2003 and 15 in 2004. | August, 2004 | To improve the safety and cleanliness of City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Graduate 30 additional recruits in 2003. | Police Chief Thomas Streicher, Police Academy Manager Theodore Schoch | Reported First Quarter | Completed. Thirty additional recruits were sworn in on 1/24/03. |
| 2 Graduate 15 additional recruits in 2003. | Police Chief Thomas Streicher, Police Academy Manager Theodore Schoch | Reported Second and Third Quarters | Fifteen additional recruits currently in training. |
| 3 Graduate 15 additional recruits in 2004. | Police Chief Thomas Streicher, Police Academy Manager Theodore Schoch | August 14, 2004 | To occur in 2004. |
| 4 Graduate 15 additional recruits in 2005. | Police Chief Thomas Streicher, Police Academy Manager Theodore Schoch | August, 2005 | To occur in 2005. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE (INTERNAL AUDIT, BUDGET AND EVALUATION)/ALL CITY DEPARTMENTS | | | |
|---|---|------------------------------------|--|
| ACTION ITEM 18 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Develop outcome-based performance measures. | To develop new and meaningful outcome-based performance measures for each department. | June, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare outcome-based performance measures for each department. Define how outcomes will be measured. | All City Departments, Budget Manager Christian Sigman | Reported Second and Third Quarters | In Phase I of this process, a pilot study is being conducted of 3 City departments. Outcome-based performance measures were developed for these departments and recommendations will be sent to the City Manager's office for review. Research, analysis, and interviews will continue for all other City departments. Departments will be reviewed on the combination of 1) the outcome-based performance measures developed during this process, and 2) the 53 budget actions items. (see item 19) |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/DEPARTMENT DIRECTORS | | | |
|---|--|------------------------|--|
| ACTION ITEM 19 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Department business plans and performance contracts. | To develop a business plan for each department and a performance contract for each director. | December, 2004 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop a business plan for each department and a performance contract for each director. | All Department Directors, City Manager Valerie Lemmie, Assistant City Manager Rashad Young | December, 2004 | To be completed in 2004. Integrated multi-year business plans for each department and performance contracts for each director will be developed in phase II of the performance system development process (see item 18). |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|---|------------------------|--|
| ACTION ITEM 20 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Performance measurement, managed competition, and service contractor accountability. | The focus of the Internal Audit Division should be on performance measurement, managed competition and service contractor accountability. | February, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Establish 2003 Goals which address Internal Audit's responsibilities concerning performance measurement, managed competition, and service contractor accountability. | Internal Audit Manager Mark Ashworth | Reported First Quarter | Completed. 2003 goals have been incorporated in the 2003 Internal Audit Work plan. The plan was approved in May by the Audit Committee and has been reviewed by the City Manager. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|---|-------------------------|---|
| ACTION ITEM 21 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To hire a Chief Planner. | To hire and clearly define the role of a new Chief Planner. | May, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Advertise position. | Human Resources Director Rodney Prince, Assistant Human Resources Director Carol Callahan | Reported Second Quarter | Completed. |
| 2 Interview candidates. | Interview Committee | Reported Second Quarter | Currently reviewing applications and resumes. Position will remain open until filled. An ordinance will be prepared to establish the Chief Planner title. |
| 3 Make selection. | Interview Committee | Reported Third Quarter | Completed. A Chief Planner was hired and is expected to start December, 2003. Funding for the position is also included in the recommended 2004 Budget Update. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE DEPARTMENT (RISK MANAGEMENT) | | | |
|--|--|-------------------------|--|
| ACTION ITEM 22 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Transition Employee Safety functions to Risk Management. | To complete the transition of Employee Safety functions to Risk Management. | March, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Assign employee safety functions to appropriate staff. | Assistant City Manager Rashad Young, Finance Director Bill Moller, Risk Manager Chuck Haas | Reported First Quarter | Completed. The Employee Safety staff now report to the Risk Manager. |
| 2 Develop 2003 goals and schedule of activities for employee safety functions. | Assistant City Manager Rashad Young, Finance Director Bill Moller, Risk Manager Chuck Haas | Reported Second Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE DEPARTMENT (RISK MANAGEMENT) | | | |
|---|---|-------------------------|---|
| ACTION ITEM 23 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Transition Environmental Compliance and Environmental Planning functions to Risk Management. | To complete the transition of Environmental Compliance/Planning functions, including brownfields, to Risk Management. | March, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Assign environmental compliance/planning functions to appropriate staff. | Assistant City Manager Rashad Young, Finance Director Bill Moller, Risk Manager Chuck Haas | Reported First Quarter | Completed. The Environmental Compliance and Planning staff now report to the Risk Manager. |
| 2 Develop 2003 goals and schedule of work activities for environmental compliance/planning functions. | Assistant City Manager Rashad Young, Finance Director Bill Moller, Risk Manager Chuck Haas | Reported Second Quarter | |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER | | | |
|--|---|-------------------------|--|
| ACTION ITEM 24 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Reclassify Deputy City Manager position. | To reclassify the Deputy City Manager position to a new title as determined by the City Manager, in conjunction with Human Resources. | February 28, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Define new duties and responsibilities of reclassified position. | City Manager Valerie Lemmie, Human Resources Director Rodney Prince | Reported Second Quarter | Completed. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER | | | |
|---|--|-------------------------|---|
| ACTION ITEM 25 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To hire an Economic Development Director and staff. | To recruit and hire an Economic Development Director and the necessary staff to carry out the related assignments. | August, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Advertise the positions, interview and select candidates. | City Manager Valerie Lemmie, Human Resources Director Rodney Prince, Assistant Human Resources Director Carol Callahan | Reported Second Quarter | In process. Ordinance #200306888 was passed June 25, 2003, which allows for the creation of an economic development division within the City Manager's office. The director of economic development: shall be responsible for expediting and facilitating economic development projects on behalf of the City. The administration is working closely with the Economic Development Task Force and reviewing the recommendations from the April 23, 2003 report. Staffing recommendations from the report for the proposed City Manager's Economic Development Division include: A) Director, B) Financial Underwriter/Specialist, C) Legal Counsel, Project Specialist/Development Officer (2), and D) Support staff. |
| | | Reported Third Quarter | An Economic Director has been hired. Funding for Economic Development staff is included in the recommended 2004 Budget Update. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: LAW | | | |
|---|--|-------------------------|--|
| ACTION ITEM 26 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Transition Office of Administrative Hearings to the Law Department. | To transition the Office of Administrative Hearings from the Contract Compliance Division to the Law Department as approved by the City Council. | March 31, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Assign administrative hearings functions to appropriate staff. | City Solicitor J. Rita McNeil | Reported Second Quarter | Completed. |
| 2 Develop 2003 goals and schedule of work activities for administrative hearings functions. | City Solicitor J. Rita McNeil | Reported Second Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: PUBLIC SERVICES | | | |
|---|--|------------------------|--|
| ACTION ITEM 27 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Analysis of Public Services management. | To perform a staffing analysis of Public Services management. | September, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Hire a consultant to analyze Public Services management staff as part of the managed competition process. | Assistant City Manager Rashad Young, Public Services Director Daryl Brock, Consulting Team | Reported Third Quarter | In process. This analysis process is being conducted by the Office of the City Manager and the Public Services Department. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: HUMAN RESOURCES | | | |
|--|--|-------------------------|--|
| ACTION ITEM 28 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Transition Equal Employment Opportunity Commission (EEOC) functions and non-uniform employee investigations. | To transition EEOC functions and non-uniform employee investigations from the City Manager's Department to the Human Resources Department. | March 31, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop 2003 goals and schedule of activities for EEOC functions and non-uniform employee investigations. | Human Resources Director Rodney Prince | Reported Second Quarter | Completed. |
| 2 Assign functions to appropriate staff. | Human Resources Director Rodney Prince | Reported Second Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|---|-------------------------|--|
| ACTION ITEM 29 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Reorganization of Community Development and Planning. | To complete the reorganization of the Department of Community Development and Planning. | February 28, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop 2003 goals and schedule of work assignments in conjunction with the reorganization of the department. | Community Development and Planning Director Peg Moertl | Reported Second Quarter | Completed. |
| 2 Assign functions to appropriate staff. | Community Development and Planning Director Peg Moertl | Reported Second Quarter | In process. |
| | | Reported Second Quarter | Concept/Structure was approved by City Council. |
| | | Reported Second Quarter | Funding issues are to be resolved in the 2004 Operating Budget submission. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|--|-------------------------|--|
| ACTION ITEM 30 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Finalize Small Business Enterprise/Minority Business Enterprise (SBE/MBE) program. | To finalize the contract compliance SBE/MBE program. | March 31, 2003 | To enhance social initiative of providing economic opportunities to small and minority owned businesses. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare guidelines for the execution of the program. | Community Development and Planning Director Peg Moertl | Reported Second Quarter | Completed. |
| 2 Develop 2003 goals and schedule of work assignments for the program. | Community Development and Planning Director Peg Moertl | Reported Second Quarter | Completed. Existing staff have been reassigned. |
| | | Reported Second Quarter | Completed. SBE program implementation completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|---|------------------------|---|
| ACTION ITEM 31 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Anthem Arts set aside of \$2.2 million for both 2003 and 2004. | To set aside \$2.2 million of Anthem proceeds for both 2003 and 2004 for the Arts Allocation, and include \$20,000 annually for the capital budget for the Arts Consortium. | January 15, 2003 | To increase Arts funding for capital improvements for arts related facilities downtown and in neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prioritize the use of City resources during the budget development process to set aside \$2.2 million of Anthem funds for the Arts Allocation and \$20,000 annually for the Arts Consortium capital budget. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner | Reported First Quarter | Completed. The City Council has approved the expenditure plan sponsored by the Arts & Culture Committee chaired by Councilmember Tarbell (motions # 200306669 and #200306719). |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER/COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|---|-------------------------|---|
| ACTION ITEM 32 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Anthem allocation of \$15 million to the \$100 million Cincinnati Housing Development Revolving Loan Fund. | To allocate \$15 million of Anthem proceeds to the \$100 million Revolving Loan Fund for the market rate residential housing program consistent with a Memorandum of Understanding with the Local Banks who will commit \$85 million. | October, 2003 | To leverage City resources to stimulate private investment in market rate housing. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Execution of a contract with local lending institutions consistent with the intent of the Memorandum of Understanding. | Community Development and Planning Director Peg Moertl, Finance Director Bill Moller, City Solicitor J. Rita McNeil | Reported Second Quarter | Completed. A Memorandum of Understanding was established to finance acquisition, rehabilitation, and new construction of market-rate housing (Ordinance #200206115). A total of \$7.5 million has been paid and another \$7.5 million is expected to be paid in October. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 33 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Funding for the Recreation Department facility rehabilitation project should be redirected from the \$7 million Over-the-Rhine Facility and savings from Managed Competition by the end of 2004. | City Council approved \$1.6 million in 2003 and \$8.8 million in 2004 for Recreation Center rehabilitation projects. | October, 2003 | To enhance the quality of life for our citizens by providing funding for needed renovations and repairs to Recreation buildings, pools, and playgrounds. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Redirect \$7 million from the OTR Facility during the 2004 Budget Update process. | City Manager Valerie Lemmie, Finance Director Bill Moller | Reported Second Quarter | Completed. Ordinance No. 52-2003 passed on 2/26/03. It allowed for the advance of \$6.5 million from the Anthem Stock Sales Fund 638 to be used in 2003 for recreation facilities repairs. |
| 2 Redirect savings resulting from managed competition efforts by the end of 2004. | City Manager Valerie Lemmie, Finance Director Bill Moller | December 31, 2004 | Included in 2004 budget. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: RECREATION/COMMUNITY DEVELOPMENT AND PLANNING/FINANCE | | | |
|--|---|------------------------|--|
| ACTION ITEM 34 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Council approval needed for Anthem funded Neighborhood Reserve Fund recommendations. | Anthem funded Neighborhood Reserve Fund recommendations should not be spent to support a project unless Council agrees and the project includes a significant (ideally, a 3-1) match of private and/or public investment, and that it: 1) creates economic development and growth in City neighborhoods or 2) supports a capital neighborhood project that would enhance the Cincinnati Public Schools Master Plan. | Ongoing | To create economic development and growth in City neighborhoods. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Project funding requests to Community Development and Planning and/or the City Manager's Office of Economic Development will be reviewed for compliance with the Neighborhood Investment Reserve guidelines published in the 2003-2004 Recommended Operating Budget. | Community Development and Planning Assistant Director Toni Selvey-Maddox, Economic Development Director Chad Munitz | Ongoing | To date one project has received funding from the Neighborhood Reserve Fund. Ordinance #0159-2003 was passed by City Council authorizing the expenditure of \$150,000 from the Neighborhood Investment Reserve Fund for the purpose of providing the City's portion of funding for the construction of a community oriented policing center in the East End Learning Center. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|---|------------------------|---|
| ACTION ITEM 35 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Reserve \$1 million of the Anthem funded \$4 million Neighborhood Market Rate Fund. | Reserve \$1 million of the Anthem funded \$4 million Neighborhood Market Rate Fund for potential mixed-income capital redevelopment projects for Huntington Meadows and /or the implementation of the Seymour Rd/Bond Hill/Roselawn Redevelopment Plan. | May, 2003 | To leverage City resources to stimulate private investment in neighborhoods, economic development, and mixed-income housing. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Reserve \$1 million of the Anthem funds during the budget development process. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner | Reported First Quarter | Completed. A new Capital Project account was established entitled, "Mixed Income Capital Redevelopment." Council approved \$1.0 million for this project which includes \$500,000 for 2003 and 2004 respectively. |
| 2 Prepare redevelopment plans for Huntington Meadows. | Community Development and Planning Acting Director Deborah Holston | December 31, 2003 | In process. |
| 3 Present redevelopment plans for Huntington Meadows to the City Council. | Community Development and Planning Acting Director Deborah Holston | Ongoing | Possible redevelopment plan concepts are in process. DCDP is working with the City Manager's office and potential redevelopers. To date, project cost for a cleared site is \$10 million. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE | | | |
|---|---|-------------------------|---|
| ACTION ITEM 36 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Issue \$43 million in bonds for 2003 General Capital projects. | To issue \$43 million in bonds for various 2003 General Capital Projects as approved by the City Council in the 2003/2004 Capital Budget. | April, 2003 | To generate capital resources through the issuance of bonds to support the City's Capital Improvement Program. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare Bond Ordinances for submission to the City Council. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. |
| 2 Submit Bond Ordinances to the City Council for approval. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. Ordinances were passed by the City Council on 1/29/03. Amended ordinances are being submitted to the City Council for approval. |
| 3 Prepare the Preliminary Official Statement for the sale of bonds. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported Second Quarter | Completed. |
| 4 Review bids from the Official Notice of Sale and issue bonds | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported Second Quarter | Completed. Sold \$52 million in bonds on May 1, 2003. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER/COMMUNITY DEVELOPMENT AND PLANNING/FINANCE | | | |
|---|--|------------------------|---|
| ACTION ITEM 37 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To develop initiatives in Cincinnati neighborhoods including housing, economic development, and infrastructure improvements for the use of the Anthem funded Neighborhood Investment Reserve funds. | Neighborhood Investment Reserve funding will be targeted to existing NSRAs as well as proposed NSRAs and City Redevelopment Focus Districts. | Ongoing | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare proposals for the use of the Neighborhood Investment Reserve funds. | City Manager Valerie Lemmie, Community Development and Planning Acting Director Deborah Holston, Finance Director Bill Moller | Ongoing | Ordinance #0159-2003 was passed by City Council authorizing the expenditure of \$150,000 from the Neighborhood Investment Reserve Fund for the purpose of providing the City's portion of funding for the construction of a community oriented policing center in the East End Learning Center. |
| 2 Submit proposals to the City Council for review, input, and approval. | City Manager Valerie Lemmie, Community Development and Planning Acting Director Deborah Holston, Finance Director Bill Moller | December 31, 2003 | Proposals will be considered by City Council throughout the year. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: ENTERPRISE SERVICES/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 38 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Evaluate the Parking Facilities Fund. | To evaluate the Parking Facilities Fund to determine its ability to support the debt service associated with building a new garage downtown. | Ongoing | To insure that expenditures are balanced to resources in current and future years. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Analyze expenditures and revenues and prepare a summary statement which shows that the fund is balanced in current and future years. | Assistant City Manager Tim Riordan, Finance Director Bill Moller, Budget Manager Christian Sigman | March 28, 2003 | On June 25, 2003, the City Council approved in concept the construction of a new Kroger parking garage downtown. It is anticipated that a final agreement will be reached with the Kroger Company for a new garage sometime before the end of 2003. |
| | | Reported Second Quarter | It is anticipated that the Kroger garage will be financed via parking revenue bonds. Prior to issuing these bonds, and after the final agreement, an independent feasibility study will be conducted on the Parking Facilities Fund to determine the ability to support debt service on bonds. |
| | | Reported Third Quarter | A consultant has been hired to conduct the feasibility study, and work has begun. The feasibility study will determine the Parking Facilities Fund's ability to support debt service on bonds for the new parking garage and the 7th and Broadway facility. The study is expected to be completed by December 2003. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE/CAPITAL COMMITTEE | | | |
|---|---|-------------------------|--|
| ACTION ITEM 39 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Save \$500,000 in capital resources in 2003. | To save \$500,000 in capital resources in 2003 for the 2004 Capital Budget. | June, 2003 | To insure that expenditures are balanced to resources in current and future years. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare and disseminate the Capital Sunset instructions to all departments. | Finance Director Bill Moller, Budget Manager Christian Sigman | Reported Second Quarter | Completed. |
| 2 Review the Capital Sunset submissions and make recommendations. | Capital Budget Committee, Budget Manager Christian Sigman | Reported Second Quarter | Completed. |
| 3 Prepare the Capital Sunset ordinances. | City Solicitor J. Rita McNeil, Budget Manager Christian Sigman | Reported Second Quarter | Completed. |
| 4 Submit the Capital Sunset ordinances to the City Council for approval. | Finance Director Bill Moller, Budget Manager Christian Sigman | Reported Second Quarter | Completed. The Capital Sunset Ordinance (#200306979) was approved June 25, 2003 authorizing the return of \$1,862,536 to various capital improvement program funding sources from various capital project accounts where funds were no longer needed. Of this amount, \$575,509 will be used as resources for the 2004 General Capital Budget, and \$447,544 will be available as unappropriated surplus for the 2004 Restricted Capital Budget. The remaining funds will be reallocated to other capital projects in 2003. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE/WATER WORKS | | | |
|---|---|------------------------|---|
| ACTION ITEM 40 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Issue Bonds for Water Works capital projects. | To issue \$120 million in bonds for various Water Works capital projects in 2003. | April, 2003 | To generate resources through the issuance of bonds to support the Capital Improvement Program. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare Bond Ordinances for submission to the City Council. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. |
| 2 Submit Bond Ordinances to the City Council for approval. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. Ordinances were passed by the City Council on 1/29/03. |
| 3 Prepare the Preliminary Official Statement for the sale of bonds. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. |
| 4 Review bids from the Official Notice of Sale and issue bonds. | Finance Director Bill Moller, City Treasurer Daryl Cammerer | Reported First Quarter | Completed. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|--|---------------------------------------|---|
| ACTION ITEM 41 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Create cleaner and safer City programs. | To reprogram \$3,267,280 in CDBG funding to programs aimed at safety, blight removal, litter control, and weed abatement in qualifying neighborhoods. Of these funds, \$1 million should be set aside to support a blighted property Receivership Program. | January 31, 2004 | To improve the safety and cleanliness of our City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Funds approved in the 2003 CDBG Budget in accordance with the Policy Budget document. | City Manager Valerie Lemmie, Finance Director Bill Moller | Reported First Quarter | Completed. |
| 2 Program description and guidelines to be established for the Receivership Program. | Community Development and Planning Director Peg Moertl | May 30, 2003 | Draft guidelines were completed and sent to the City Manager's Office for review. |
| 3 Receivership Program to be operational. | Community Development and Planning Director Peg Moertl | October 31, 2003 | The RFP was issued in June. Selections should have been made by September, with the program operating by October. Based on Law Department's recommendation, all RFPs were rejected in October because they were not responsive. |
| 4 Create in-house Receivership Program | Community Development and Planning Assistant Director Toni Selvey-Maddox, DCD&P Supervisor Gerald Hyland | November 14, 2003 | Draft plan has been completed and sent to Assistant City Manager for review. |
| 5 Inform City Council 6 Implement Program | City Manager Valerie Lemmie Department of Community Development and Planning | November 19, 2003 January 31, 2004 | |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: FINANCE (INCOME TAX DIVISION) | | | |
|--|---|----------------------------|--|
| ACTION ITEM 42 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To set aside \$50,000 for financial literacy and Earned Income Tax Credit (EITC) Outreach efforts. | To set aside \$50,000 in CDBG funds for both 2003 and 2004 for financial literacy and EITC Outreach efforts, as approved by City Council in a unanimous motion. | March, 2003 March, 2004 | To improve the quality of life for low-income taxpayers who live in Cincinnati by expanding their awareness of the federal Earned Income Tax Credit. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Prepare financial literacy material and distribute to the public for Income Tax outreach efforts. Partner with IRS and community agencies to increase the number of volunteer tax preparers. | Finance Director Bill Moller, Assistant Finance Director Francis Wagner, Income Tax Commissioner Teresa Richter | Reported Second Quarter | Completed. Motion #200205911 called for the City of Cincinnati to provide meaningful tax relief to working families by creating a partnership with the IRS and other community organizations to expand access to the Earned Income Tax Credit for Cincinnati working families. This initiative was spearheaded by Councilmember Pepper. Fliers and posters were distributed and over 40 tax preparers were recruited and trained. The project helped to generate thousands of dollars in Earned Income Tax Credits for dozens of citizens. Final tabulation of numbers are being processed. City staff provided support as appropriate. |
| 2 In preparation for the 2004 tax season, survey the community to determine what their needs are, and continue to increase awareness of the tax credit. | Finance Director Bill Moller, Income Tax Commissioner Teresa Richter | April 15, 2004 | Included in the 2004 budget in the amount of \$15,000. Expenses for the program have been lower than anticipated. Unspent 2003 funds will be available for use in 2004. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: BUILDINGS AND INSPECTIONS/POLICE/LAW | | | |
|---|---|-------------------------|---|
| ACTION ITEM 43 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To set aside \$100,000 to support a Drughouse Shutdown Initiative. | To set aside \$100,000 in CDBG funding for both 2003 and 2004 to support a Drughouse Shutdown Initiative – a joint Police, Buildings & Inspections, Law and other departments effort to target, shut down or abate nuisance properties that serve as the source of illegal drug activity. | Ongoing | To improve the safety and cleanliness of our City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Identify nuisance properties to shut down or abate. | Police Chief Thomas Streicher | Reported Second Quarter | Four buildings in Madisonville have been identified and are awaiting demolition (4553 Erie, 4819 Whetsel, 5901 Madison Rd., 6335 Madison Rd.). Two buildings in OTR have been identified and are currently awaiting demolition (312 Mohawk, 203 W. McMicken). One building in Walnut Hills (1211 Myrtle) and one building in Sedamsville (2740 River Rd.) are to be demolished. |
| 2 Monitor and report activities. | Police Chief Thomas Streicher, Buildings and Inspections Director Bill Langevin | Reported Second Quarter | A building in Evanston which was identified as a drughouse has been purchased by a responsible owner and a cash bond of \$7,176 has been posted (stay of demolition). The building has been barricaded and drug activity has been removed. |
| | | Reported Third Quarter | \$55,000 has been expended or encumbered to barricade and secure open vacant buildings reported to have drug activity. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: POLICE | | | |
|---|---|-------------------------|--|
| ACTION ITEM 44 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Facilitate the elimination of drugs in various rental properties. | To set aside \$100,000 in Drug Elimination Program Grant funds to facilitate the elimination of drugs in various rental properties. | May, 2003 | To improve the safety and cleanliness of City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Secure approval for the project. | Police Chief Thomas Streicher | Reported First Quarter | Completed. |
| 2 Contract for services. | Police Chief Thomas Streicher | Reported Second Quarter | Completed. Contract signed 3/21/03 to hire off-duty Cincinnati Police Department employees to perform investigation, surveillance and arrest of drug traffickers in the Over-the-Rhine community. |
| 3 Monitor and report. | Police Chief Thomas Streicher | Ongoing | Ongoing. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|--|------------------------|---|
| ACTION ITEM 45 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Support the renovation of the Central Health Clinic. | To spend \$125,000 in CDBG funds in both 2003 and 2004 to support the renovation of the Central Health Clinic, an eighty-year-old community mental health clinic in Avondale. This clinic serves over 14,000 clients yearly, including children and the homeless, the majority of whom live in the City, and ninety-five percent of whom are under the federal poverty line. | June, 2003 | To improve the health of our citizens. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Request eligibility determination from HUD regarding the installation of 130 window air conditioning units. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | September 25, 2003 | Completed. |
| 2 Project is required to be advertised per HUD regulations. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | November 16, 2003 | In process. DCD&P is awaiting public comment. |
| 3 Prepare and execute the contract for renovations of the Central Clinic. | Community Development and Planning Acting Director Deborah Holston, Supervising Community Development Analyst Annette Armstrong | March, 2004 | Awaiting the selection of the contractor. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|---|------------------------|--|
| ACTION ITEM 46 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Create a neighborhood pride center to deal with crime and litter. | To set aside \$75,000 of CDBG funding for a neighborhood pride center on Burnet Avenue to deal with crime and litter. | July, 2003 | To improve the safety and cleanliness of City neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Project description to be prepared detailing the use of funds. | Community Development and Planning Assistant Director Toni Selvey-Maddox | August 31, 2003 | Completed. |
| 2 Project may be required to be advertised per HUD regulations prior to the use of funds because this is a new project. | Community Development and Planning Assistant Director Toni Selvey-Maddox | December 31, 2003 | Awaiting recommendations by Community Council. |
| 3 Prepare and execute the contract for the Pride Center. | Community Development and Planning Assistant Director Toni Selvey-Maddox | December 31, 2003 | Awaiting the development of the project description and advertisement. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|---|---|------------------------|--|
| ACTION ITEM 47 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Institute redevelopment projects in Neighborhood Revitalization Strategy Areas (NRSA) and City Redevelopment Focus Districts. | To identify areas within NRSA neighborhoods for targeted redevelopment projects, using a Request for Proposals process to leverage the City's investment. | Ongoing | To leverage City resources to stimulate private investment in our neighborhoods. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Devise program. | Community Development and Planning Acting Director Deborah Holston | November 1, 2003 | Completed. |
| 2 Identify areas. | Community Development and Planning Acting Director Deborah Holston | November 1, 2003 | Five Neighborhood Revitalization Strategy Areas have been identified. |
| 3 Seek local and HUD approval. | Community Development and Planning Acting Director Deborah Holston | December 31, 2003 | Included in the 2004 budget. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: COMMUNITY DEVELOPMENT AND PLANNING | | | |
|--|--|------------------------|--|
| ACTION ITEM 48 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Additional development resources totaling \$30 million. | The City will increase funding for CDBG Float Loans and HUD 108 Loans to provide gap financing for targeted projects in neighborhood strategy areas. | Ongoing | To leverage City resources to stimulate private investment in our neighborhoods. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Include additional funding for the HUD 108 Loan Debt Service in the 2003 CDBG Budget. | Community Development and Planning Director Peg Moertl, Finance Director Bill Moller, Budget Manager Christian Sigman | Reported First Quarter | Completed. Council approved additional funding in the 2003 Budget. |
| 2 Projects submitted to Community Development and Planning will be reviewed to determine appropriateness and eligibility for using CDBG Float Loans and HUD 108 Loans. | Community Development and Planning Director Peg Moertl, Finance Director Bill Moller, Budget Manager Christian Sigman | December, 2003 | Projects are being presented to the Community Development and Planning Department and are being considered for funding, including HUD 108 loans, based on underwriting, feasibility, and project analysis. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|---|-------------------------|--|
| ACTION ITEM 49 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Fully implement managed competition. | To implement managed competition and allocate the operating savings as follows: 1) first \$2.0 million to maintain the Recycling and Yard Waste Programs 2) next \$6 million to rehabilitate Recreation Centers. | Ongoing | To generate resources through managed competition to support the Recycling and Yard Waste programs and rehabilitate Recreation Centers. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Establish the Business Evaluation Team and hire the Manager of Competitive Services. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Finance Director Bill Moller, Budget Manager Christian Sigman | Reported Second Quarter | Completed. Consultant hired to recruit the Manager of Competitive Services. The Business Evaluation Team has been established. |
| 2 Implement the managed competition and identify City services which will be a part of this process. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Finance Director Bill Moller, Budget Manager Christian Sigman, All City Departments | Reported Second Quarter | Ordinance #200306910 was passed June 4, 2003 authorizing the City Manager to enter into an agreement with the Public Strategies Group, Inc. for the purpose of assisting the City with developing and implementing the City's managed competition process. A memo was sent to City Departments Heads to gather their input concerning potential services that will be considered in the Managed Competition program. These responses will be reviewed by the BET and recommendations will be forwarded to the Advisory Working Group (AWG) for consideration. The City implemented the managed competition process for mechanical street sweeping. A letter of intent to begin exploring potential managed competition for Solid Waste was sent to AFSCME. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|---|-------------------------|---|
| ACTION ITEM 49 CONTINUED | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 2 Implement the managed competition and identify City services which will be a part of this process. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Finance Director Bill Moller, Budget Manager Christian Sigman, All City Departments | Reported Third Quarter | Completed. The Business Evaluation Team has developed a list of potential projects that are likely to be completed within 2004. The Advisory Work Group has reviewed the list which has been forwarded to the City Manager for review. |
| 3 Select service providers and make recommendations to the City Council. | City Manager Valerie Lemmie, Business Evaluation Team | Reported Second Quarter | In process. Resolutions 200306911 and 200306912 were passed on June 4, 2003, expressing Council's approval of the portion of the Administration's May 7, 2003, report, "Results of Street Sweeping Request for Proposal." The City recommended mechanical street sweeping awards to Contract Sweepers, Inc. and the City Employee Team in the amounts of \$491,110 and \$602,610 respectively, for year 1 of a three year contract. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 50 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| To hire a Manager of Competitive Services. | City Council authorized establishment of a position to direct the City's managed competition initiative. | May, 2003 | To lead the development of a procedure to direct the City's managed competition initiative. |
| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 To develop a position description and establish the salary range for the position. | Assistant City Manager Tim Riordan, Human Resources Director Rodney Prince | Reported Second Quarter | In process. Consultant was hired to recruit the Manager of Competitive Services. |
| 2 To recruit individuals to fill the position established. | Outside Consultant | Reported Second Quarter | In process. |
| 3 To select the individual to fill the position established. | Assistant City Manager Tim Riordan, Human Resources Director Rodney Prince | Reported Second Quarter | Several interviews have been conducted. Still processing. |
| | | Reported Third Quarter | Completed. The Manager of Competitive Services has been hired. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|---|-------------------------|--|
| ACTION ITEM 51 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Process to issue Request for Proposals (RFPs) for managed competition. | The Business Evaluation Team (BET) will implement a managed competition process to issue RFPs for at least \$25 million in services by the end of 2003. | Ongoing | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Establish the Business Evaluation Team (BET). | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Finance Director Bill Moller, Budget Manager Christian Sigman, Manager of Competitive Services Michele Kidd | Reported Second Quarter | The Business Evaluation Team has been established and a work plan has been developed. |
| 2 Identify City services for managed competition. | All City Departments, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | A memo was sent to City Department Heads to gather their input concerning potential services that will be considered in the Managed Competition program. These responses will be reviewed by the BET and recommendations will be reviewed and forwarded to the Advisory Working Group (AWG) for consideration. A letter of intent to begin exploring potential managed competition for Solid Waste was sent to AFSCME. |

2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|--|-------------------------|--|
| ACTION ITEM 51 CONTINUED | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Process to issue Request for Proposals (RFPs) for managed competition. | The Business Evaluation Team (BET) will implement a managed competition process to issue RFPs for at least \$25 million in services by the end of 2003. | Ongoing | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 2 Identify City services for managed competition. | All City Departments, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Third Quarter | Completed. The Business Evaluation Team has developed a list of potential projects that are likely to be completed within 2004. The Advisory Work Group has reviewed the list which has been forwarded to the City Manager for review. RFP guidelines will be presented to City Council for approval in early December. It is unlikely that RFPs will be issued for \$25 million in services by the end of 2003. |
| 3 Select service providers and make recommendations to the City Council. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | Resolutions 200306911 and 200306912 were passed on June 4, 2003, expressing Council's approval of the portion of the Administration's May 7, 2003, report, "Results of Street Sweeping Request for Proposal." The City recommended mechanical street sweeping awards to Contract Sweepers, Inc. and the City Employee Team in the amounts of \$491,110 and \$602,810, respectively, for year 1 of a three year contract. |

2003-2004 BUDGET ACTION ITEMS
UPDATE OF THE QUARTER ENDING SEPTEMBER 30, 2003

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|--|--|-------------------------|---|
| ACTION ITEM 52 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Managed competition process for services identified in the consultant's report dated September 13, 2002. | The Business Evaluation Team (BET) will pursue within the next two years (2003 and 2004) the managed competition process for all of the services identified by the consultant in the September 13, 2002 report. These recommendations should be implemented by the City. | Ongoing | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Identify City services for managed competition. See <i>Action Items #49 and #51</i> | All City Departments, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | In process. Proposals received in response to the Street Sweeping RFP were reviewed. Letter of intent to begin exploring potential managed competition for Solid Waste was sent to AFSCME. Parks has also conducted five "pilot contracts" for managed competition as part of an effort to explore additional managed competition opportunities. |
| 2 Select service providers and make recommendations to the City Council. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | Resolutions 200306911 and 200306912 were passed on June 4, 2003, expressing Council's approval of the portion of the Administration's May 7, 2003, report, "Results of Street Sweeping Request for Proposal." The City recommended mechanical street sweeping awards to Contract Sweepers, Inc. and the City Employee Team in the amounts of \$491,110 and \$602,610, respectively for year 1 of a three year contract. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|---|--|-------------------------|---|
| ACTION ITEM 53 | DESCRIPTION | DUE DATE | ORGANIZATIONAL OBJECTIVE |
| Managed competition process for street sweeping, operation of the Convention Center, fuel management, and computing and telecommunications. | To update the City Council on the process and guidelines that are being used to implement the managed competition process, in the four specific areas, that Council agreed to pursue on December 19, 2001 (street sweeping, Convention Center operation, fuel management, and computing and telecommunications). | April, 2003 | To improve the effectiveness, efficiency, and accountability of City operations. |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 1 Develop the process and guidelines that will be used to implement managed competition. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Finance Director Bill Moller, Manager of Competitive Services Michele Kidd, Business Evaluation Team, Union Representatives | Reported Second Quarter | Completed. City Council approved Policies and Guidelines for Managed Competition on 12/11/02. |
| 2 Implement the managed competition process for street sweeping, Convention Center operations, fuel management, computing and telecommunication services. | Assistant City Manager Tim Riordan, Public Services Director Daryl Brock, Regional Computer Center Director Ralph Renneker, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | See Action Item # 6 for street sweeping. |
| | | Reported Second Quarter | Discussions concerning the operation of the Convention Center are in process and a decision will be made before the convention facilities expansion is completed. |
| | | Reported Third Quarter | An RFP has been prepared for the City's fuel management system and is being reviewed by the Manager of Competitive Services. |

**2003-2004 BUDGET ACTION ITEMS
UPDATE FOR THE QUARTER ENDING SEPTEMBER 30, 2003**

| RESPONSIBLE DEPARTMENT: CITY MANAGER/FINANCE | | | |
|---|---|-------------------------|---|
| ACTION ITEM 53 CONTINUED | | | |
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| | | | |
| ACTIONS REQUIRED | RESPONSIBLE PARTY | COMPLETION DATE | QUARTERLY STATUS |
| 2 Implement the managed competition process for street sweeping, Convention Center operations, fuel management, computing and telecommunication services. | Assistant City Manager Tim Riordan, Public Services Director Daryl Brock, Regional Computer Center Director Ralph Renneker, Manager of Competitive Services Michele Kidd, Business Evaluation Team | Reported Second Quarter | The Regional Computer Center (RCC) has officially notified AFSCME of its intention to do a managed competition process for Help Desk Services. A Service Review was drafted which needs AFSCME input. RCC is also considering the managed competition process for the Private Branch Exchange System (PBX). |
| 3 Update the City Council on the process and guidelines being used. | City Manager Valerie Lemmie, Assistant City Manager Tim Riordan, Assistant City Manager Rashad Young, Manager of Competitive Services Michele Kidd, Business Evaluation Team, Union Representatives | Reported Second Quarter | Separate quarterly update reports are being provided to the City Council on managed competition. |

200306771

2. P.
W.L.R.RESOLUTION NO. B-0077 -2003

ACCEPTING and endorsing the Report of the Economic Development Task Force, dated April 23, 2003; and directing the City Manager to implement the recommendations of the Report; and directing the City Manager to have any ordinances necessary for the implementation of the Report prepared and submitted to City Council.

WHEREAS, the Report of the Economic Development Task Force was prepared and was submitted to the Mayor on April 23, 2003; and

WHEREAS, the implementation of the recommendations of the Report is essential for the City to be able to move forward with development in a proactive, effective and efficient manner; now, therefore;

BE IT RESOLVED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the Council of the City of Cincinnati accepts and endorses the Report of the Economic Development Task Force, dated April 23, 2003; and hereby directs the City Manager to implement the recommendations of the Report; and hereby directs the City Manager to have any ordinances necessary for the implementation of the Report prepared and submitted to City Council.

Section 2. That the terms hereof be spread upon the minutes of Council.

Passed May 7, 2003

Charles F. [Signature]
Mayor

Attest [Signature]
Clerk

200206114

MANAGED COMPETITION

WE MOVE that the City Manager fully implement managed competition and that the first \$2 Million in operating savings go to maintain the Recycling and Yard Waste Program and the next \$6 Million go to the Recreation Department's requests to rehabilitate Recreation Centers and:

- a) That, in accordance with the consultant's recommendations and consistent with the Guidelines unanimously approved by City Council, the Administration hire a Competition Czar to oversee the managed competition process and to focus on cost savings and competitive measures such as the sale of unnecessary assets. The Competition Czar shall be a person who is not currently a City employee and who will report directly to the City Manager.
- b) That the BET implement the unanimously approved managed competition process to issue RFPs for at least \$25 million in services by the end of 2003.
- c) That the BET pursue within the next two years the managed competition process for all of the services identified by the consultant in his September 13, 2002 report. The Consultant identified over \$101,947,123 in services that should go through a competitive process and an estimated savings of over \$8.5 million. The City should implement these recommendations.


 John Cranley

 Alicia Reece


 David Pepper


 David Crowley



 Paul Booth

 Minette Cooper


 Pat DeWine


 Chris Monzel


 Jim Tarbell


 Mayor Charlie Luken

